Financial REPORT and REGISTRATION DOCUMENT 2013

Items in the Annual Financial Report are identified in the contents with the help of the AFR symbol AFR

Financial Report and Registration DOCUMENT

This Registration Document was filed with the French Financial Markets Authority (Autorité des marchés financiers or AMF) on 27 March 2014, in accordance with Article 212-13 of the AMF's general regulations. It may be used as a basis for financial transactions if it is accompanied by an AMF information memorandum. This document was drawn up by and is the responsibility of the issuer and the Chairman and CEO.

This Registration Document is available on the Groupe SEB website, www.groupeseb.com and on the AMF website, www.amf-france.org.

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.

Sales
4,161 M€
+ 2.5 %

Operating result from activity
410 M€
- 1.2 %

Net result
200 M€
+ 2.9 %

Net financial debt*
416 M€
- 140 M€

Capital expenditure
127 M€
- 0.5 %

Workforce
24,682
people in the world
as of 31 December 2013

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, meat grills, toasters, steam cookers, breadmakers, etc.

Preparation: food processors, beaters, mixers, blenders, centrifugal juice extractors, small food-preparation appliances, coffee makers (pod, filter and espresso), electric kettles, instant hot-water dispensers, home beer-tapping machines, soya milk makers, etc.

HOME AND PERSONAL CARE PRODUCTS

Personal care products: hair care equipment, depilators, bathroom scales, foot massage appliances, etc.

Linen care: steam irons and steam systems, semi-automatic washing machines, garment steamers.

Home care: vacuum cleaners (upright or canister, with and without dust bag, compact and cordless), fans, heaters and air-conditioners.

World ranking

n°1 Cookware – Pressure cookers – Steam irons and steam systems 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

OUR MARKET LEADERSHIP IS SUPPORTED BY FAMOUS BRANDS:

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

* *See definition in Note 25.2 of the consolidated financial statements.*

1

PRESENTATION OF THE GROUP

1.1. KEY FIGURES

(in € millions)	**2013**	2012	2011*
Sales	4,161	4,060	3,963
Organic sales growth	+5.4%	-0.9%	+6.9%
Operating result from activity	410	415	455
Operating profit	364	368	402
Profit attributable to owners of the parent	200	194	236
Net debt	416	556	673
Diluted earnings per share *(€)*	4.08	4.01	4.81

* *Restated following application of IAS 19R.*

1.2. MILESTONES IN THE HISTORY OF THE GROUP

Groupe SEB dates from 1857 with the creation of the company Antoine Lescure, in Burgundy, France. Beginning as a tinware company specialised in making buckets and watering cans, it gradually expanded its business to include kitchen utensils, zinc tubs and other articles. It began to mechanise production when it bought its first press at the beginning of the 20th century. At that time, the company's business was confined to its local region.

It took a major stride forward in 1953 when it launched the pressure cooker. This gave the company, thereafter called Société d'Emboutissage de Bourgogne, a new national dimension.

The subsequent history of the Group would take shape through successive phases of acquisitions and organic growth.

External growth: a dynamic acquisition strategy

A series of acquisitions over the last 50 years has enabled Groupe SEB to diversify its activities and expand internationally.

CREATION OF THE GROUP

In 1968, SEB acquired Tefal, a Company specialised in nonstick cookware; in 1972, it took over the Lyon-based company Calor, a maker of irons, hair dryers, small washing machines and portable radiators. This established SEB as a leading operator in Small Domestic Equipment in France. In 1973, it decided to form a group structure under a lead holding Company, SEB S.A., which would be listed on the Paris Stock Exchange in 1975.

GLOBAL STATUS

The 1988 acquisition of Rowenta, whose German and French factories made irons, electrical coffee makers, toasters and vacuum cleaners, was a crucial step in the Group's international expansion. In 1997-1998, the takeover of Arno, Brazil's market leader in small domestic appliances, established the Group in South America. Arno was a specialist in the manufacture and sale of food-preparation appliances (mixers/blenders), non-automatic washing machines and fans. At the same time, the Group acquired Volmo, a leading producer of small domestic appliances in Colombia and Venezuela, with its own product range in food-preparation appliances (mixers/blenders), fans and irons.

September 2001 saw Moulinex, the Group's main rival in France, file for bankruptcy. Groupe SEB's offer of a partial takeover of the assets of Moulinex and its subsidiary Krups was accepted by the Nanterre Commercial Court in October 2001. The integration of that portion of Moulinex-Krups confirmed the global stature of Groupe SEB through a stronger presence in certain product categories and the addition of two international brands. After much legal debate at the European Commission and in France, the final authorisations for the takeover were obtained in 2005.

Meanwhile, in the summer of 2004 the Group took the opportunity to strengthen its base in the United States with the acquisition of All-Clad, a premium-range cookware specialist whose product offer was an ideal complement to the fairly broad T-fal brand on the US market. In May and June 2005, the successive acquisitions of Lagostina (Italy) and Panex (Brazil) further strengthened the Group's cookware business. Lagostina, Italy's leader in top-of-the-range stainless steel saucepans, frying pans, pressure cookers, etc. has a prestige brand image and provides the Group with access to new markets. Meanwhile, Panex, with its four brands at the top of ranges which extend over several market segments, helped us to penetrate the Brazilian market with an extensive cookware offer and instantly occupy a front-ranking position. The acquisition of Panex further enhanced our strong presence in the country in small domestic appliances with the Arno brand.

In August 2006, the acquisition of selected assets of the American company Mirro WearEver, which deals in entry-level cookware, helped bolster the Group's infrastructure in this area, allowing for a more focused repositioning on mid-range T-fal articles and the introduction of new dynamics. Groupe SEB accordingly became leader of the North American market in cookware with an exhaustive offering covering all market segments – from simple and functional "basic" products to All-Clad premium products.

In the same year, the Group initiated a process to buy a majority stake in Supor, China's domestic market leader in cookware and no. 3 in small electrical cooking appliances. As Supor is listed on the Shenzhen Stock Exchange and since this kind of transaction was unprecedented in China, it required various authorisations from the Ministry of Commerce (MOFCOM) and market authorities (CSRC). Having acquired an initial 30% stake in Supor's capital on 31 August 2007, the Group raised this to a 52.74% controlling stake in Supor on 21 December 2007 following a successful public share purchase offer. Further to exercises of stock options by some Supor executives, the Group's shareholding in the Chinese company was slightly diluted, to 51.31%. Acquiring controlling interests in Supor is a major strategic step forward because it allows the Group to tap into the huge potential of the Chinese market. These interests were strengthened in December when the Group finalised the acquisition of an additional 20% stake in the company, purchased from Supor's founders (the Su family), who wished to reduce their capital commitment. This transaction consolidated the initial investment made in 2007 with a view to ensuring Supor's ability to sustain growth over the medium-to-long term with a stable shareholder base.

2011 was a very active year in terms of acquisitions. In addition to the larger stake in Supor acquired at the end of the year, in February, the Group finalised the acquisition of the Colombian company Imusa, which specialises in cookware and is a leader in its domestic market. Imusa's core business goes hand-in-hand with Samurai's small domestic appliances in a booming market driven by strong demand and by a fairly well-structured distribution network. In May, Vietnamese company Asia Fan was acquired (65% stake). Asia Fan, whose industrial and commercial activities focus on fans, ranks among the leading companies within the Vietnamese market. This transaction was part of a decisive expansion policy targeting certain countries in South-East Asia that represent major growth drivers for the future. Asia Fan allows the Group to build up its presence, which has until now been limited, in a market that is already substantial and is quickly growing, and to complement Supor, which focuses exclusively on cookware in Vietnam. Finally, in December the Group acquired a 55% majority stake in the Indian company Maharaja Whiteline, which specialises in mixer grinders, a flagship production in India's small domestic appliance industry. This acquisition allows the Group to establish a presence in this major market, which is undergoing rapid transformation and growth. In 2013, it set up a joint venture with the Egyptian company Zahran, and bought the Canadian company CORANCO in order to obtain direct control of Lagostina product marketing operations in Canada.

Organic growth: innovation and international expansion

New product development and the conquest of new markets are two key pillars of Groupe SEB's strategy. Innovation is critical to the vitality of the Small Domestic Equipment sector and it gives the Group the head start it requires to stay in front of the competition and to fight commoditisation. At the same time, geographic expansion offers new opportunities, with, among other things, a better international balance of trading activities and enhanced exposure to the high growth potential of emerging nations.

A STRONG INNOVATION POLICY

Both SEB and Moulinex, ever since they were founded, have set out to offer innovative products that contribute to the daily well-being of consumers. Emblematic products such as the SEB pressure cooker and the Moulinex purée handpress paved the way for the first electrical appliances in the 50s and 60s: irons, coffee grinders, odourless fryers, and the Charlotte and Marie multi-purpose appliances, etc. The 70s and 80s marked the arrival of more sophisticated functions with the introduction of electronics-enhanced new products: bathroom scales, programmable coffee machines, etc. This era also saw the emergence of new lifestyles, reflected in the launch of convivial products such as the raclette grill and home espresso coffee maker. In the decade up to 2000, both Groupe SEB and Moulinex brought new simplicity to the world of Small Domestic Equipment: pressure cookers with simplified closing mechanisms, removable handles for frying pans and saucepans, compact vacuum cleaners with triangular-shaped heads, coffee makers incorporating grinder-dosers, frying pans with a visual heat indicator, food processors designed for easy storage, etc.

The 2000s marked a new acceleration in the product offer renewal process through:

- its first partnerships, developed by the Group from 2006 with leading food-industry operators, which gave it access to new product categories such as pod coffee makers and beer-tapping machines;
- the introduction of several innovative concepts, answers to new consumer expectations (nutrition and health, home-made, ease, well-being, etc.), often accompanied by major commercial success: the Actifry minimal-oil fryer; the Silence Force and Silence Force Extreme vacuum cleaners, which combine power with very low sound level; washable, dismountable and silent fans; anti-mosquito devices, smart and/or "connected" appliances (Cookeo, Optigrill), the Cuisine Companion cooking food processor;
- the introduction of new functional features such as a self-cleaning iron soleplate and an anti-scaling system for steam generators in linen care or a heating blender for food preparation, etc.

HEADING FOR NEW MARKETS

In the 1970s, Groupe SEB turned its attention to international growth. Building on its "cookware" expertise, it began by penetrating the Japanese and American markets with its nonstick Tefal frying pans and saucepans. In 1992 and 1993, it took advantage of the opening up of Eastern Europe, by creating retail distribution operations in Central European countries and by gaining greater access to the Russian market. From 1994 to 2000, it focused on building up its commercial operations worldwide and, where appropriate, its industrial presence by setting up, for example, factories in South America and China. Over the years, the Group expanded its activities to all the continents and built its international manufacturing bases. It continued expanding in Asia with marketing subsidiaries created in Thailand and Taiwan in 2003, and in Singapore and Malaysia in 2004. It then reinforced its presence in South America by opening a subsidiary in Peru. In 2005, the Group created a subsidiary in Switzerland to manage its operations in that country directly. Meanwhile, to support emerging markets in Northern, Central and Eastern Europe, the Group strengthened its presence in these zones by setting up subsidiaries in Romania in 2005, in Ukraine and Slovenia in 2006 and in Latvia in 2007. This drive continued in Bulgaria in 2008, while in South-East Asia, Supor opened a new factory in Vietnam. In 2013, the Group strengthened its presence in Africa, particularly with the creation of a joint venture in Egypt.

The strength of Groupe SEB lies in its ability to blend innovation – a key factor in success – with international operations that bring it closer to its retail clients and consumers. These are the two pillars upon which the Group continues to build its development.

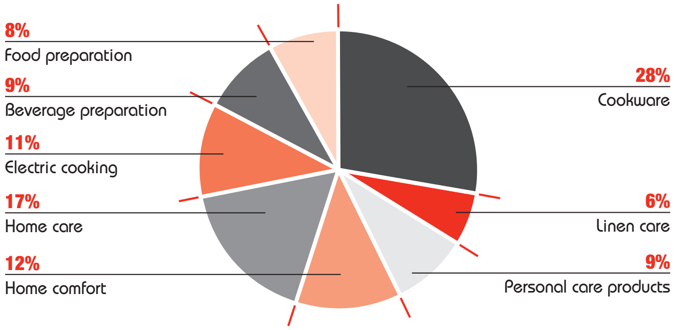
1.3. BUSINESS SECTOR

As a global leader in Small Domestic Equipment, Groupe SEB deploys its strategy via a portfolio of diversified and complementary brands in multi-region or local markets. Groupe SEB stands out from its main rivals by being present in both the small domestic appliance sector (which accounts for 70% of its sales) – worth approximately €32 billion according to the latest estimations – and cookware (a sector worth around €13 billion). These figures are estimates for the Group, calculated based on GFK and Nielsen surveys and from third-party organisations.

Overall, the Small Domestic Equipment sector is characterised by:

- low-to-moderate, yet steady, demand in the majority of mature markets – where although the equipment rate is already high, it is heterogeneous in terms of product families. This demand is, however, mixed and driven by strong reactivity to innovation (new products and concepts), by a market upgrade linked to a search of more status-related products, and by the need for basic products at low prices. At the same time, demand is sharply on the rise in emerging markets (growing at between 5% and 10% on average in Asia over recent years, and near the same in Latin America). These markets are in an equipment phase, and their intense growth is fuelled by booming middle class access to consumption, rapid urbanisation and the development of the real estate market, increased buying power, development of modern retail distribution, etc.;
- an average sale price of around €50 for a small domestic appliance in developed countries, being accessible for most consumers and requiring no or very limited use of credit;
- shorter product replacement cycles in addition to an increasing average equipment rate in certain categories, which are driving these renewal markets;
- steady and increasingly unavoidable inroads of industrial partnerships between manufacturers of small domestic appliances and actors of various mass consumer goods, especially by joining forces to propose new offerings and services. Development of the single-portion coffee concept is a significant example;
- the emergence of new consumer trends worldwide: more "Western" in Asian or South American countries, more "ethnic" in Western countries, back to "home-made" and control over food in Europe, heightened environmental awareness, etc.;
- a highly competitive and discount-driven market environment. The success of retailer loyalty programmes in boosting traffic in stores is a testament to this trend;
- the very rapid growth of alternative retail channels, and especially the Internet. The trend has given rise to very active new specialists of online sales (e.g. Amazon, Taobao, Nova Pontocom, etc.) and retailer websites over the last few years, while traditional retail sales via physical channels have declined.

Breakdown of the small domestic equipment market by product family



Source: Consultants, Groupe SEB

From a geographical viewpoint, the global market of Small Domestic Equipment does not present any real homogeneity because it is fragmented into numerous national/regional markets. These are fuelled by a complex and multi-faceted retail distribution network that varies depending on regional consumption habits, the maturity of markets, targets or product ranges and the development of distribution channels.

Multiple forms of competition

The Small Domestic Equipment market is very fragmented globally, both in small domestic appliances and in cookware. In practice, changes in the sector over the last ten years – with, in particular, the increased relocation of production to countries with low production costs – have greatly changed the way of approaching markets, more local today than global. The launch of international brands, which can in some cases be marketed under local/regional brands, falls in line with this two-sided market approach that makes it possible to take advantage of economies of scale as well as a strong local reputation. To this end, Groupe SEB is the only player with such a broad international spectrum, and it draws on this strength and on the prime positioning of its local brands when marketing its six international brands.

The Group has numerous and various competitors worldwide, but few of them have truly global coverage:

- Philips is certainly the Group's foremost rival through its large range of small electrical appliances and its presence on almost all of the world's continents (both mature and emerging economies).

  De Longhi (De Longhi, Kenwood, etc.), a major player in coffee and food preparation appliances, also enjoys a presence in many regions (primarily mature markets) and has expanded its line by purchasing rights to manufacture Braun branded kitchen electrics.

  Other industry giants with extensive offering and global coverage include Conair (Babyliss, Cuisinart, etc.), Bosch-Siemens (which acquired Zelmer in Poland in 2012), Procter & Gamble (Braun, Oral-B) and the U.S. group Meyer (Silverstone, Farberware, Prestige, Anolon, Circulon, etc.) and German companies WMF (WMF, Silit, Kaiser, etc.) and Fissler in cookware;
- other players are primarily present in their domestic market or a few reference markets: Magimix, Taurus, Imetec, Severin, Zwilling/Staub, in particular, in various European countries; Spectrum Brands (Black & Decker, George Foreman, Russell Hobbs, Remington, etc.) and Jarden (Sunbeam, Mr Coffee, Oster, etc.) in North America for example; Mallory, Mondial, Britania and Tramontina in South America; Panasonic (also including the National brand) in Asia.

  Midea is the Group's main competitor in China. It has greatly expanded over the last ten years, not only in the Chinese market but also in South-East Asia. It sells numerous types of small and large electrical appliances. Other major competitors include Joyoung and Airmate in small electrical appliances and ASD in cookware;
- numerous high-end specialists concentrate on one or two product segments – such as Dyson, Vorwerk, Jura and Laurastar, etc. in small electrical appliances – or on a special area of expertise, like French Company Le Creuset, which specialises in cast iron cookware.

Another form of competition comes from "white label" goods and retailer brands; both mainly consist of aggressively priced entry level products. Certain promotional or loyalty-building campaigns, with products manufactured under one-off contracts with Chinese subcontractors, that aim mainly to generate traffic at points of sale also drive their growth. Nevertheless, their market share remains low on the whole.

The market dynamism remains primarily driven by:

- large European groups such as Groupe SEB, Philips, Bosch Siemens or DeLonghi, which develop new products and concepts, open up new categories and set up in new territories;
- specialists, focused on a single category, such as Dyson, which stand out thanks to innovative products and heavy marketing;
- local competitors notably in booming Asian emerging markets (China, India, Indonesia), driven by buoyant domestic markets and, in the case of China, by an increase in exports, both regionally (in particular South-East Asia) and worldwide.

In general, competition has become fierce in recent years, both with regard to small domestic appliances and cookware. It is a result of retail distribution which is able to exert stronger pressure on prices to maintain or boost patronage in stores, especially in light of the increased strength of on-line sales.

1.4. GROUP STRATEGY

A long-term strategy

Groupe SEB implements a long-term strategy focused on creating value through two major approaches:

- **promoting growth by:**
  - aggressively implementing a strong product innovation and brand differentiation policy, placing market expectations at the centre of design, and ensuring it stands out from the competition in each country, by organising point-of-sale promotions and asserting itself as a key market player, in both retail distribution and final consumption. In this way the Group creates value for its retailer clients and consumers, defends the quality of its offering and contributes to improving and upgrading the market and reaffirming its product leadership,
  - leveraging the strength and complementarity of its brands. The extensive portfolio of world brands (6: All-Clad, Krups, Lagostina, Moulinex, Rowenta et Tefal) and regional or local brands (18, including Calor and Seb in France, Arno, Panex, Samurai and others in South America, T-fal in the United States, Supor in China, AsiaVina in Vietnam, Maharaja Whiteline in India, etc.) means the Group is uniquely well-placed for international expansion and covers all market segments, from entry level to premium products,
  - deploying a clear and well-segmented approach by retail distribution channel and brand and reinforcing its presence in all existing channels in the country, regardless of their format, to ensure the most extensive coverage of markets possible and taking into account specific local features. The goal is to develop a long-term constructive relationship with distributors on the basis of the most extensive product offer on the market and with strong brands, vectors of growth and profitability for each of the parties. Furthermore, the Group developed a network of its own retail brand outlets (Home & Cook, Tefal shops, Supor Lifestores, etc.) in order to expand its sales operations in areas that are not or only partially covered by modern or traditional networks. It is also developing the booming area of e-commerce,
  - continuing its unique international expansion in both mature and emerging markets, while looking to establish local leadership, or, at least, to significantly improve its competitive position in the market. This geographical development involves continued organic growth – through new commercial operations in certain countries – and an external growth policy via new acquisitions. The principle underlying this basic approach is to develop as a priority in structurally growing markets and eventually become a market leader;
- **maintaining its competitiveness over time thanks to:**
  - the continuous and responsible adaptation of its industrial facilities as well as its organisation and structures (administrative, logistics, etc.), in order to be able to rely on some of the best standards in the world and preserve the competitive advantage forged over the years. Beyond the required industrial flexibility, the systematic implementation of best practices, shorter product times to market, plans to improve the effectiveness of structures, the very upstream integration of a demanding quality process and the optimisation of the supply chain are all recurring focus points for the Group,
  - rigorous daily management through strict control over all operating costs, pooling of support services through shared services centres and clusters, reduction of purchase costs – whether industrial, linked to sourced products or non-production costs, in the context of an extended scope year after year – and monitoring of working capital requirements.

These two fundamental approaches are closely linked since one of the major pillars for improving the Group's profitability is the growth of sales linked to innovation. The capacity to launch new concepts and products, through differentiation and resulting improvement in the product mix, justifies higher sales prices and generates better margins. This enhanced profitability allows the Group to invest again in R&D, marketing and advertising, with a boosting effect on turnover, thereby sustaining a virtuous circle.

Innovation – Research and development

In a highly competitive market, innovation – whether applied to technology or products – generates competitive advantages and competitiveness. The Group uses innovation to offer unique concepts, new functional features, designs, or differentiated marketing approaches. This provides real added value for consumers, allowing Groupe SEB to stand out in an effective way and thus strengthen its positioning and conquer new markets.

The innovation strategy is consistent with a pragmatic approach to product creation that involves teams from research and development, industry, procurement, logistics and strategic marketing, design and quality. New products are the result of the in-depth analysis of consumer needs (which include both expressed needs and latent needs), the invention of breakthrough concepts, the evaluation of new technologies and the creation of unusual or one-of-a-kind designs, as well as, of course, the development and industrialisation of new technology platforms. The process obviously needs to be collective and collaborative both in-house and when working with outside partners.

This realisation led the Group to structure relations within its innovation community and among the 1,300 employees who comprise it, using collaborative tools that make it possible to enrich the collective point of view on strategic issues and to promote the sharing of knowledge and best practices. This same reasoning is behind the Group research partnerships with highly prestigious universities and a variety of private and public centres for research.

In 2013, Groupe SEB's cross-disciplinary development initiatives focused on the ageing of the population, wired households, digital applications, health/beauty/well-being assets, energy and environmental responsibility. The Group also launched an open site for innovators "Innovate with Groupe SEB", targeting investors, scientists, researchers and designers who want to propose an innovation to Groupe SEB. The site offers three ways to work together: propose an invention, join the Groupe SEB innovation network or take part in challenges based around themes set by the Group.

For innovation to be a sustainable advantage, it must be part of a constant flow and must be protected. To this end, Groupe SEB pursues an active industrial property policy by filing numerous patents every year. In France, the Group has been one of the top 20 patent filers for several years now. In 2013, the Group filed 115 patents (virtually unchanged on previous years) and 216 preliminary patent registrations (288 in 2012).

R&D investment amounted to €81 million in 2013 (€75 million in 2012), including Research Tax Credits (€7 million as in 2012) and capitalised R&D costs (€5 million versus €6 million in 2012). R&D teams have been significantly strengthened over the last years, in terms of both number of employees and employee qualifications, with the hiring of highly specialised engineers, for instance. These specialists bring expertise in cutting-edge fields such as coatings and materials, man-machine interfaces and batteries, nano-technology, etc.

For more information on R&D investments, see Note 15 to the Consolidated Financial Statements.

SEB Alliance: an investment vehicle to boost innovation

In May 2011 the Group created an investment fund – SEB Alliance – with initial capital of €30 million. As a result of stricter regulatory requirements that have caused many banks and insurance companies to stop investing directly in corporate capital, companies that rely heavily on innovation have been creating corporate venture capital structures in recent years. The creation of SEB Alliance is an example of this.

In addition to the fact that it serves as a monitoring tool for new technologies outside the Group, SEB Alliance also allows the Group to invest in innovative, technology-focused companies in areas such as the ageing of the population, the preservation of health, beauty and well-being, new energies, "connected products" and robotics, digital applications, etc. These companies furnish the technological "bricks" that the Group can use to develop its products. It thus offers an attractive opportunity for start-ups and helps them to grow and expand.

SEB Alliance has made a number of investments since being founded, including in Ethera, a young Grenoble-based company that develops innovative solutions for the diagnosis and elimination of indoor air pollutants, and indirectly in the Technocom 2 fund, dedicated to digital technologies, alongside the Fonds National d'Amorçage (BPI), Orange, Alcatel Lucent and SOITEC.

Partnerships

The Group enters into partnerships to develop new concepts and boost its sales. Representing almost 10% of sales, these partnerships are major growth drivers for the Group. These partnerships may take the form of joint development agreements or distribution agreements that combine the expertise of the Group and its partner in order to develop and market a new product. The Group has, for instance, signed joint development agreements with major names in the food industry, such as Nestlé for Nespresso and Dolce Gusto and Heineken for BeerTender and The Sub or in the cosmetics industry, such as L'Oréal for Steampod. These arrangements can also take the form of "image partnerships" that associate our products with other brands or organisations (Unicef, Institut Paul Bocuse, etc.), licensing agreements with brands such as Elite, endorsement contracts where, for example, we develop cookware lines in collaboration with notable chefs such as Jamie Oliver or Emeril Lagasse.

At the same time, the Group enjoys partnerships with universities and research institutes, working together on major projects which enable it to widen its field of activities and benefit from additional tools and skills. Notable examples include in particular, projects concerning health and nutrition with Nutrition-Santé-Longévité, Vitagora or Q@limed.

Industrial strategy

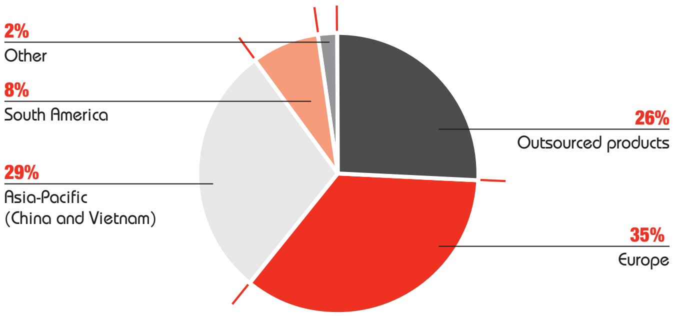
The Group's industrial strategy aims to best serve markets by continuously improving competitive performance and quality over the long term.

Throughout the world, the production plan is deployed in a way that responds to market specificities:

- European manufacturing targets mainly mature markets. French and European plants are dedicated to products for which the Group is a market leader. To this end, the Group takes advantage of technological barriers in relation to product concepts or processes;
- manufacturing in emerging markets focuses on the needs of these markets, and for mature markets, on products for which the Group wishes to retain control of its specific technologies (concerning products and processes);
- on outsourcing of production for basic, everyday products, products where the Group lacks a strong leading position, or in the case of partnerships.

The Group's industrial facility includes 29 plants, which produce 74% of products sold worldwide. The other 26% are outsourced, in particular to China.

Location of sales production



In 2013, the Group's factories enjoyed growing demand and therefore increased production, particularly in China.

The Group's industrial competitiveness comes from its edge as a designer of products, especially through its centres of expertise and technological centres:

- centres of product expertise bring together the specific expertise in research and development, industrialisation and production for a given product category;
- technological centres reinforce the centres of product expertise through their knowledge of key technologies in relation to materials, plastics, and electronics.

At relevant sites, project platforms foster collaboration between marketing teams and centres of industrial expertise in the development of product offerings.

To ensure and optimise the competitiveness of its manufacturing base, the Group constantly upgrades its factories, taking into account the economic reality of markets, via adjustment of production volumes, development of the Recife site in Brazil, strict control of manufacturing costs, refocusing of production and use of sourcing, according to needs.

Our operational excellence programme continued with the roll-out of basic principles (5S, TPM, etc.) to boost site productivity, Europe-wide projects and the programme's expansion into America and Asia-Pacific. Similar actions were carried out within Supor and by the SEB Asia teams with regard to Chinese subcontractors. In addition, the Group works to optimise the economic value of the materials and components used. As in 2012, several major projects were reviewed in 2013 with a view to boosting their competitive edge.

Upgrades to Chinese plants continued in 2013. The Shaoxing plant, built in 2009, was ramped-up to produce new electrical appliance categories. For example, the Group re-integrated a portion of its production (including electric kettles and toasters) that had previously been outsourced to Chinese subcontractors. The Yuhan factory, which makes cookware, also significantly raised production to meet high local demand and a growth in exports. The Group also has an industrial presence in Vietnam, thanks to its Asia Fan production facilities, which supplement the Group's non-culinary product business.

The Group also strives to constantly improve employee safety in the workplace. In this regard, a three-year plan has been launched, aiming for a steady decrease in the number of workplace accidents. When complete, the plan should halve the annual incidence of accidents.

The Group has also introduced a global supply chain Management system intended to rationalise stocks of finished products, optimise the quality of these stocks and implement a process to improve customer service. Performance improved in 2013 with, for instance, an improvement in packaging management and a lower carbon footprint. The Group continues to strive to bring all markets up to the best standards.

Purchases

Purchasing covers requirements for materials (metals, plastics, paper/cardboard packaging, etc.) and components (parts, sub-systems, etc.) for industry, non-production purchasing (transport and logistics, services, information systems, travel, etc.) and purchases of sourced finished products. Purchases are increasingly managed at Group level, to allow optimum negotiation conditions, not only in terms of pricing, but also in terms of quality, on-time delivery, etc. For several years now, production purchases have benefited from a centralised organisation tailored to each project and each contract. In 2013, for production purchases, the Group had a panel of 468 suppliers (374 in 2012), representing approximately 79% of global purchasing.

Non-production purchases currently follow the same process aimed at better qualifying approved suppliers and building an across-the-board Group purchasing methodology with a panel of approved suppliers (around 400 at year end 2013, in line with 2012). Over the last several years, the team has been significantly strengthened to cover a far wider range of expenses and a much-expanded international scope. Calls for tender are routinely held to optimise purchases in new areas.

For outsourced finished products, the set-up organisation strengthens purchasing quality processes for finished products by guaranteeing technical and methodological assistance for Group teams with suppliers. At the same time, it demonstrates the Group's desire to integrate suppliers upstream in the product development process in order to foster greater fluidity in creating the product offering. Through this approach, the Group was able to obtain a more concentrated panel of approved finished product suppliers, which, at year end 2013, comprised 48 companies (versus 46 companies at year end 2012) representing 83% of purchases made.

The Group's approved supplier panels consist of carefully selected and tested companies in terms of both performance (lead times, quality, cost, etc.) and social and environmental responsibilities (environmental impact, compliance with Human Rights, etc.).

1.5. RISK FACTORS

Groupe SEB pursues a policy of active, prudent management of the risks inherent in its business, the purpose of which is to defend the Group's assets and/or interests of its stakeholders: shareholders, employees, clients, consumers, suppliers, etc., without forgetting the environmental aspects. This approach is based on a detailed mapping and analysis of the main risks faced by the company, which makes it possible to rank them on the basis of their potential impact on the Group's operations and performance, and on the probability of such risks occurring. A comprehensive review of these risks is carried out regularly with the Group Executive Committee and the Audit Committee.

Risks inherent to operations

COUNTRY-SPECIFIC AND ECONOMIC SITUATION RISKS

The international nature of the Group's business exposes it to currency risk (covered in Note 27.2.1 to the Consolidated Financial Statements) but also to risks of political instability, economic, monetary or labour risks, especially in Asia, the Middle East and South America. In addition to these risks, certain countries have less developed legal systems or offer little in the way of intellectual property protection, import taxes (e.g. Turkey for certain small electrical products), restrictive measures (e.g. in Argentina for electronics and cookware), or exchange controls (Argentina, Venezuela), etc. These factors may disturb or even penalise the Group's business or financial position. Nonetheless, this major international presence also offers protection through wide geographical coverage and risk diversification.

In consideration of the very nature of the business (focus on the home) and the limited investment represented by the purchase of small household equipment, the Small Domestic Equipment industry tends to hold up better than others in crisis situations. In the past, the Group's results have sometimes been in contrast to the economic situation in certain markets.

Nonetheless, the Group's operations depend on the economic climate and whether consumption holds up or not, which, in turn, is related to consumer purchasing power and the financial and economic health of the Group's retail distribution network. The Group's highly globalised presence also helps to balance out sales and offset different countries and geographic regions.

After a difficult year in 2012, Groupe SEB faced a tense and uncertain general environment in 2013. That said, the situation varied widely between markets: subdued demand in France, recovery from low levels in Southern Europe, solid growth in several Northern European markets (particularly in Germany and the UK) and in Colombia, slowdown in Russia after the summer and expansion in North America. Despite many uncertainties hanging over the economy, the Brazilian market continued to expand, but remained volatile from one month to the next. The Chinese market, meanwhile, experienced a clear recovery.

RISKS RELATING TO SOLD PRODUCTS

Risks of warranty or liability claims

Groupe SEB considers consumer safety and the safety of its products an absolute priority. In this respect, it affords maximum attention to safety precautions in terms of raw materials, components and finished products. Nevertheless it is exposed to a risk of warranty or liability claims from its clients and consumers; these risks have been reasonably provided for. In particular, the impact of the change to a two-year guarantee for small domestic appliances in the European Union has been integrated into these provisions. Additionally, to protect itself against cases of defective products causing damage, the Group has taken out civil liability insurance (see Insurance section).

Recovering and recycling end-of-life products

European directive no. 2002/96/EC on Waste Electrical and Electronic Equipment (WEEE) requires manufacturers to factor in the reprocessing or recycling of end-of-life products, which then leads to financial consequences. Transposed into the legislation of a large majority of European countries since late 2005, it requires the collection and treatment of electrical and electronic appliances at the end of their lives.

In European countries concerned by this Directive, Groupe SEB decided to participate in eco-organisations which will handle the recycling of "new" and "historical" waste on behalf of manufacturers. The obligation to collect and process WEEE is prorata to the equipment put on the market during the year of collection, and is payable in advance. In consequence, there is no need to accrue provisions for this at the time the electrical products are released on the market.

RISKS RELATING TO BRAND ASSETS

Groupe SEB has built its business on a powerful portfolio of brands, some of which are treated as assets in its balance sheet. The total value of Groupe SEB brands on the balance sheet at 31 December 2013 was €334 million, mainly Rowenta, All-Clad, Lagostina and Supor.

Moreover, as Groupe SEB regularly engages in external growth transactions, goodwill is shown in the Consolidated Financial Statements at the end of 2013 for an amount of €448 million, most of this having been recognised at the time of the All-Clad and Supor acquisitions.

Under IFRS accounting standards, the value of brands and goodwill must be reviewed annually to check that the value entered in the balance sheet is consistent with the actual performance of the brands and subsidiaries in their own markets. Any significant disparities, notably with regard to expected cash flow, a brand's commercial under-performance, or increased costs incurred by the subsidiaries concerned, could require an adjustment in the balance sheet which may involve a partial or total recognition of impairment of the asset's value.

For example, the Group recognised several impairments for the goodwill of All-Clad in the United States between 2009 and 2011 to reflect the deterioration in the subsidiary's economic performance and the discrepancy in relation to the original business plan.

Furthermore, with a view to creating value for its brands, the Group is investing in R&D in order to supply its offering with innovative, ground-breaking products, as well as in advertising and marketing with the purpose of improving the visibility of its brands, boosting its sales and strengthening its competitive positions in the field.

Supplementary information is provided in Note 11 to the Consolidated Financial Statements.

CLIENT RISKS

The Group's broad geographical distribution, as well as the variety and number of its retail distribution networks, limits risk and the probability of major impact on a consolidated level. On a country level, however, a client bankruptcy (especially a major client) may have significant consequences on the trading activity of the subsidiary in question. Although the European sovereign crisis had revived the risk of retailer defaults, the economic environment was still weak but a little more stabilized in 2013, and the Group did not have to deal with any significant client bankruptcies. However, the retail sector has been changing fast with the growth of e-commerce which has challenged the economic models of some traditional retail operators. Against this background, the position of some retailers remains precarious and the Group is still exposed to client risk.

In this context, the Group's cautious policy toward its retailing clients, based on the subscription of client coverage insurance, made it possible to limit claims to a negligible sum. Although the very harsh economic climate in certain countries in 2009 and the significant increase in claim rates had led to a sharp reduction in coverage (COFACE or bank guarantees), this was restored to a high level in 2010 and continued to cover around 90% of consolidated sales in 2013, despite the recessionary environment. Also, the Group maintained a self-insurance policy first introduced during the financial crisis, thereby allowing it to manage relationships with retailers long term, on top of the guarantees on its trade receivables. In addition, risks are strictly controlled at Group level: based on the credit management function, with all unhedged risks over €0.5 million requiring systematic validation by two members of the Group Executive Committee. The risk of a major impact subsequent on results to potential client defaults is therefore limited.

Supplementary information is provided in Notes 17 and 27.4 to the Consolidated Financial Statements.

RISKS RELATING TO COMPETITION

In recent years, the competitive climate has become more severe in both mature and emerging markets, although the issues faced by the Group differ in both.

Given that mature markets are already well equipped, they are driven more by supply than by demand, and are clearly structured into three segments, the entry level with plain, standardised products, mid-range, the largest in size and where momentum is key, and premium, dedicated to strongly differentiated products (in terms of technology, design or status, etc.). In these markets, competition is particularly fierce: the big established international and national or regional brands have to compete against low-cost, white-label entry-level brands and retailer brands, which get a short-term boost at times of recession. In addition, retail distributors often and increasingly, play a catalyst role in competition and can thus exert great pressure on prices. Groupe SEB is long-established and occupies strong front-ranking positions in mature markets thanks, in particular, to its powerful brand portfolio and extensive offer which allows it to cover all segments.

Emerging markets are still in an equipment phase. Rapid urbanisation and the development of a middle class with higher purchasing power generally foster rapid growth in demand for higher-value product ranges. This phenomenon is supported by the increasing implantation of modern retail distribution circuits in these markets. Aware from the start that these countries had high potential and that their consumers sought status through products, top brands built up strong positions – in particular Groupe SEB, which is a leader in many of these countries today. These markets have a pyramid structure, with a broad though shallow base in entry-level products, a substantial mid-range section, and a niche high-end segment. Competition – especially in terms of pricing – is fiercer and fiercer in these markets, as they quickly rise to meet the standards of mature markets.

It is essential to gain market share in this highly competitive climate. This can be achieved by brand reputation and the relevance of the product offer, spurred by innovation alongside strong advertising and marketing support.

A capacity to develop and launch genuinely differentiating, added-value innovations at the right time is therefore fundamental. An entire product family can be severely and lastingly damaged by the launch of a new concept that wins over consumers, having a significant impact on results: highly positive for the breakout product in question, very negative for its competitors. Groupe SEB therefore strives to limit the risk of competition by boosting its R&D efforts in order to stay ahead and lead the market (this area has regularly seen growing budget allocations in recent years in both skills and investment).

INDUSTRIAL RISKS

As in all industrial processes, Groupe SEB is exposed to events of varying origins (natural catastrophes, fire, technical failures, contamination, etc.) that can affect or interrupt the operations of a plant or even endanger the safety of its production resources, with major consequences for people and equipment. It has therefore always implemented an active industrial risk prevention approach through regular audits, investment in maintenance and optimisation of certain processes in order to limit the probability of occurrence of such risks.

In practice, European and American sites are in general not, or only slightly, exposed to major natural risks (hurricanes, floods, earthquakes, etc.). However, due to the globalisation of the Group's business, it may have operations in exposed zones, especially in earthquake-prone regions. In addition, the industrial operations themselves do not generate any particular risks. Besides metal stamping (pressure cookers, frying pans and saucepans), surface treatments (nonstick) and the production of certain components that occupy less than 10% of total industrial staff personnel, most of Groupe SEB's production involves assembly operations. The most sensitive processes are closely monitored. In assembly processes, the most likely risks are minor bodily injuries or injuries due to handling, as well as musculoskeletal disorders for which the Group takes all precautions (training in ergonomics, mentors and Steering Committee on each site, etc.) to minimise their occurrence.

Concerning the Chinese company Supor, consolidated since 1 January 2008, a detailed audit carried out in 2008 enabled us to measure potential areas for improvement in terms of safety (personnel, manufacturing and storage processes, etc.) on production sites in China. Although no major breaches were pinpointed in terms of industrial risk management, it nevertheless failed to meet the Group's standards. The action plans carried out post-acquisition helped to reduce the gap with respect to the Group's required level, although there are still disparities in relation to Europe. The progress made in this area is reflected in the triple certification (ISO 9001, ISO 14001 and OHSAS 18001) granted to the Group's Chinese sites.

In parallel, the Group has for a long time prioritised safeguarding the environment through its eco-production policy, which involves ISO 14001 certification of its industrial sites. At year end 2013, 89.5% of the Group's entities (vs. 84% at year end 2012) had obtained this certification worldwide.

COMMODITY RISK

Groupe SEB's operations involve the use of several major raw materials in its industrial processes: aluminium (for cookware), nickel (for certain steel alloys), copper (mainly wire for motors and electric cables), plastic (a key material in small domestic appliances) and paper products for printed documents and packaging. These materials have varying significance on the Group's purchasing budget, Supor included: in 2013, aluminium represented approximately 16% of direct manufacturing purchases (14% in 2012), steel represented 13% (14% in 2012) and plastics/plastic pieces represented 18% (19% in 2012).

Groupe SEB is therefore exposed to risks concerning the availability of raw materials and fluctuations in their prices insofar as it could suffer from a shortage and/or have to pass on any price increases – whether partially or totally – to its retail prices. This would have a potential impact on the level of trading activity, profitability and cash flow. For several years, the trend has been one of high price volatility for raw materials and metal prices in particular, with occasionally erratic, sharp fluctuations, without any direct or logical connection to supply and demand. In 2013, metal prices (which, for Groupe SEB, mainly meant aluminium, nickel and copper) continued to fall in a slack economic environment. Plastics, which are more directly correlated with the price of oil, remained generally unchanged from 2012.

To face this intrinsic exposure related to its industrial operations, Groupe SEB deploys a partial hedging policy on a rolling 12-month basis intended to protect it against the effects of abrupt variations in metal prices and to enable it to forecast or limit any price hikes that it may have to pass on to its clients. This policy is not for speculative purposes but, for any given year and in relation to actual market prices, may produce:

- positive results when raw material prices are rising;
- negative results when the same prices are dropping.

The hedging and sensitivity of commodity risks are dealt with in Note 27.2.3 to the Financial Statements.

RISKS CONCERNING INFORMATION SYSTEMS

The Group continues to deploy consistent IT systems in all its subsidiaries to ensure better management and client service and to minimise the inherent risks in obsolete local systems. It concentrates its IT budget on a limited number of software packages used selectively throughout the Group, depending on the size of each subsidiary (SAP R/3 for larger entities, or those participating in clusters, and SAP Business One for more compact entities, etc.).

This increased dependency on information systems and the greater integration with outside partners poses risks concerning the integrity and confidentiality of data and possible interruption of IT services. A failure might lead to loss of data, errors or delays that could impede the proper functioning of the company and affect its results. Thorough testing prior to the deployment of new systems and a strict information system security policy (monitored by a Steering Committee) are put in place to ensure that systems are fully reliable, secure and accessible. Regular investments are made to improve the Business Continuity Plan in case of a major disaster on the primary IT processing centre. Anti-hacking audits are carried out each year to identify any security loopholes in the Group's network. Lastly, the management rules for access rights to systems are audited and then updated on a regular basis.

LABOUR RELATIONS RISKS

Groupe SEB is constantly adapting its structures, particularly its industrial base, to ensure that it remains competitive. It has established a forecast planning system for jobs and skills in a permanent effort to address industrial and employment issues in collaboration with employee representatives and to take the necessary steps to avoid redundancies. The Group gives high priority to the quality of employee-management dialogue to solve difficult labour issues responsibly and in the best possible conditions for everyone. Throughout its history, Groupe SEB has carried out industrial restructuring on various occasions, both domestically and outside of France, and has always done so in keeping with its corporate ethics. The Group has a history of deploying substantial resources in order to provide every employee concerned with a solution and retraining and to ensure that concrete actions are taken to re-industrialise the employment areas in question.

RISKS RELATING TO ACQUISITIONS

Over the last 40 years, while pursuing its leadership strategy, Groupe SEB has combined its development through organic growth and acquisitions. Today, it continues to play a key active role in consolidating the still-fragmented Small Domestic Equipment sector.

External growth requires an ability to merge new acquisitions effectively and generate synergies. With its many acquisitions over the years, Groupe SEB has built up experience in integrating newly acquired companies. Having integrated Moulinex-Krups in 2001-2002, it acquired All-Clad in the United States in 2004, Panex in Brazil and Lagostina in Italy in 2005 and Mirro WearEver in the United States in 2006. It went on to take majority control of the Chinese company Supor at the end of 2007. This latest operation stands out because of the major challenges it presents: separation both in terms of distance and culture, language barrier, more complex integration, coordination of communications between two listed companies, harnessing synergies, etc. Coordinated by a Steering Committee and organised into specific projects involving both Chinese and Western employees, the integration has been carried out under good terms. The technology transfers and synergies identified were implemented, on the whole, by the deadlines that had been set. In December 2011, Groupe SEB acquired an additional 20% stake in Supor, bolstering the initial long-term investment made but not affecting the effective control or collaboration between the two entities.

Furthermore, in February 2011 the Group acquired Imusa, a Colombian cookware company. Integration of Imusa has progressed rapidly, at an exemplary pace, with strong support from the Group's pre-existing subsidiary, Groupe SEB Colombia. In May 2011, the Group took control of a Vietnamese company – Asia Fan – specialising in the production and sale of fans, and in December it acquired a 55% stake in an Indian company – Maharaja Whiteline – specialising in small electrical appliances. In early 2013 the Group partnered with its long-standing distributor in Egypt (Zahran) to form a joint venture, Groupe SEB Egypt for Household Appliances. The Group owns a 75% stake in this venture. At the end of the financial year, the Group acquired the Canadian company CORANCO to take direct control over the marketing of Lagostina products in Canada.

At the time of the acquisition, these companies were not yet equipped with highly-developed structures or tools that meet the Group's standards in respect of information systems, reporting, auditing, safety and security, etc., and it can take time to integrate them. Because of this, even if the amounts in question are currently insignificant, integration is a key issue and a focus of the Group.

Success is never guaranteed from the outset and may depend on external factors, even with every effort and the allocation of resources to the integration process. An Integration Committee regularly monitors the progress of each project and the synergies implemented in order to limit the risk of failure and to re-target our actions, as necessary. Groupe SEB implements this approach consistently to optimise the integration of newly acquired companies.

Dependency risks

DEPENDENCE ON SUPPLIERS

As part of its policy of bulk buying, Groupe SEB relies on an approved panel of suppliers for production (468 in 2013 versus 374 in 2012), which accounted for approximately 79% of its worldwide needs last year. The top 50 suppliers accounted for 44% of direct production purchases in value (52% in 2012). With respect to the procurement of finished products, Groupe SEB has established a panel of some 50 suppliers who account for 83% of total purchases (79% in 2012).

Based on 2013 figures, the top three production suppliers provide nearly 6% of production (unchanged from 2012) split nearly equally among them. The top three suppliers of finished products provide around 32% of the total (32% also in 2012), with the leading supplier contributing about 20%, the second 8% and the third nearly 4%. Excluding the leading supplier, the low numbers of the next-in-line show that the Group's policy of optimising purchasing procedures (in particular procuring from a smaller number of suppliers) did not result in concentration of risks. The Group is effectively dependent on external suppliers, where a late service or delivery or even bankruptcy could be highly prejudicial to its trading activity; it is therefore especially vigilant in spreading its risk base and limiting its reliance. Its priority is to ensure continuity of production under optimum economic conditions and to have a variety of options at its disposal, within a single product family or for a specific technology.

DEPENDENCE ON CLIENTS

The retailer is Groupe SEB's direct client, and the consumer is its final customer. In recent years, the retail distribution scene has been impacted by the disappearance of brands and the high incidence of mergers and acquisitions (in Russia and central Europe, Brazil, etc.), resulting in a concentration of major international retail distribution chains. This trend has had various consequences for suppliers, such as Groupe SEB:

- fewer clients;
- altered negotiating power, the trend being to tighten conditions (requirements concerning suppliers, financial conditions, logistics or other services);
- greater risk in the event of business failure.

The Group's position in the cookware and small electrical appliance market contributes to a diversified client base. The retail sale of cookware occurs, in large part, in mass retail, while specialised distributors play an important role in the sale of small electrical appliances.

In 2013, the Group's ten largest clients represented just over 29% of consolidated sales, versus just over 30% in 2012 and around 32% in 2011. It should be noted that the share made up by the most major clients has been dropping for the past three years, reflecting the diversification of the Group's exposure vis-à-vis its retailers. As in 2012, the Group's number one client was Metro/MediaSaturn, representing approximately 5.5% of consolidated sales (unchanged from 2011 and 2012). The number two client is Carrefour with just under 4% of sales (unchanged from 2012 and 4% in 2011). Auchan is the number three client with approximately 3% of sales (nearly 4% in 2012 and around 3% in 2011). In general, and especially in volatile markets, the Group has adopted a proactive policy of diversifying its distribution networks by capitalising on the sharp rise of online sales, the strong momentum of specialised outlets and independent retail groups and the importance, in many countries, of neighbourhood stores. This is a movement away from mass retail, whose market share has been trailing off. The percentage of sales made online continues to increase, both via pure players like Amazon, C-discount, Pixmania, Nova Pontocom and Tmall, or via retailer websites. Online sales of small household equipment are growing at a rate of around 20%. This structural trend stems from the simplicity of the act of purchasing, the Internet user's brand/price approach, the increased security of online methods of payment and ever-improving online services for price and product comparison, delivery, after-sales service, etc. For instance, in 2013, Amazon was the Group's ninth largest client, having not even been in the top 20 in 2009. Whatever the case, the Group's international presence and the wide diversity of the retail distribution channels it uses around the world help to guarantee some level of dilution of customer risk.

Legal risks

RISKS RELATING TO INDUSTRIAL PATENT REGISTRATION

Groupe SEB sells its products throughout the world, based on a portfolio of internationally or regionally well known brands and on innovation. It must therefore constantly defend these brands and protect its business assets by filing patents and registering trademarks and designs. Accordingly, in 2013, the Group filed 115 patents, virtually unchanged from previous years (127 in 2012, 121 in 2011), making it the 18th largest filer in France. Groupe SEB also applies a policy of protecting the digital assets used on its websites. These measures are not always sufficient on a global scale, as some countries offer less protection than the Group's historic markets in Europe and North America. As a result, sales are often "appropriated" by copied and counterfeited products and this can have a significant effect on growth and profitability. This obliges the Group to defend its rights by being extremely vigilant in the most critical zones (China and the Middle East), by having these products seized and destroyed by local authorities, or by taking legal action. In 2013, for instance, it seized and destroyed copies of the pressure cooker with handle-shaped controls, micro-perforation soleplate or the Actifry oil-free fryer along with the moulds used to make them. Such measures inevitably come at a cost, but this is less than the loss of earnings as a result of counterfeiting. For this reason, the Group works pre-emptively in collaboration with customs authorities to limit the impact of these practices on its business.

In 2013, Groupe SEB renewed its investments in terms of industrial property rights, with a specific allocation for each type of action carried out (registration of patents, measures to combat infringement, litigation management, etc.).

Financial market risks

LIQUIDITY AND COUNTERPARTY RISK

Groupe SEB's business is based on a short-term cycle and does not demand heavy capital investment.

Liquidity risk management is run centrally by the Finance, Treasury and Tax department. Groupe SEB's policy on this issue is to fund the Group's growth, working capital and assets and to guarantee liquidity while optimising expense. It is based on a solid financing architecture (no financing comes with early repayment clauses linked to covenants) and diversified over the short and medium terms: commercial paper, syndicated loans, Schuldshein private placements and bonds. Groupe SEB also has unused confirmed medium-term credit lines with leading banks.

The Group considers itself to have little exposure to financial counterparty risk as it prioritises relationships with leading banks and diversifies its counterparty portfolio.

Details of the maturity dates of the instruments used and the financing sources available are provided in Notes 25, 26 and 27 to the Consolidated Financial Statements.

INTEREST RATE RISK AND CURRENCY RISK

The Group sells its products in more than 150 countries. With a substantial proportion of its manufacturing still based in Europe (35% of products sold come from the Group's European factories), the Group's business is strongly export-oriented, which can create a transaction currency effect when products are billed in a currency different to that of their production costs. There is also a currency translation effect when the results of different countries are consolidated. Exchange rate swings thus affect our ability to be competitive, so that these must be effectively managed from a long-term perspective. To limit the direct impact of currency fluctuations, Groupe SEB strives to balance incoming flows (products) and outgoing flows (expense) in each currency and especially in terms of procurement, by diversifying sources geographically. However, this approach cannot fully redress imbalances. The Group remains short in dollars and yuan and long in several other currencies. To limit its risk, the Group hedges its transaction exposure by put and call futures, and sometimes uses cash flow hedges where these are highly probable.

For several years, the Group's trading activity has been strongly disrupted by volatile exchange rates. Given the sometimes drastic fluctuations in exchange rates, the Group is constantly forced to adapt its pricing policy: increasing sale prices to preserve the local profitability of commercial subsidiaries where the relevant currency depreciates against the euro and adjusting prices downwards to preserve market momentum and competitiveness where foreign currency/euro exchange rates improve. The effects on the Group's turnover are therefore very different from one year to another. For example, exchange rate effects had a negative impact of €116 million on sales in 2013, whereas in 2012, they had a positive impact of €114 million. These fluctuations had a negative impact on 2013 results.

Group financing uses mostly fixed-rate loans in currencies that correspond to its needs (mainly the euro and the US dollar). The longest-term among these loans, extending to 2019, has been financed at a fixed rate, making it possible for the Group to protect itself against the likelihood of interest-rate rises.

Details of interest rate and exchange rate risks are given in Notes 27.2.1 and 27.2.2 to the Consolidated Financial Statements.

RISKS RELATING TO SHARES

At 31 December 2013, Groupe SEB held 1,412,347 treasury shares for a total value of €74.6 million. This treasury stock is deducted from shareholders' equity at acquisition cost.

Based on the closing price of the SEB share at 31 December 2013 (€65.70), the market value of treasury stock was €92.8 million (this market value has no impact on the Group's Consolidated Financial Statements). A 10% increase or decrease in the share price would therefore have led to a €9.3 million change in the fair value of treasury stock. This variation has no impact on the consolidated income statement or shareholders' equity.

In 2013, the share performed in line with the CAC 40 index (+18%). Besides the general rally in European indices, this performance reflected investors factoring in strengthening trends for organic growth as each quarter passed, after a tougher year in 2012. Over the past five years, SEB's share price has actually significantly outperformed the CAC 40 by more than 170%.

Further information on share risks is given in Note 27.2.4 to the Consolidated Financial Statements. This data also takes account of risk on the Supor share which is quoted on the Shenzhen stock market.

Sensitivity analysis

Groupe SEB conducted a sensitivity analysis of data published in 2013 to assess the impact of euro-dollar exchange rate variations on its operating result from activity and the effect of interest-rate variations on profit before tax.

Concerning the euro-dollar exchange rate, as a regular buyer of dollars or in "dollar zones" (raw materials, products sourced in Asia, etc.), Groupe SEB has held a "short-term" position in this currency for several years. The sensitivity analysis shows that a 1% variation in the euro-dollar exchange rate would have an impact of about €4 million on the operating result from activity. The Group also holds a significant "short" position on the Chinese yuan as a result of the development of a manufacturing base in China. A 1% variation in the euro-yuan exchange rate would have an impact of about €2 million on the operating result from activity. However, other important operating currencies for the Group could also have a significant impact on operating result from activity. These include the yen, the rouble, the Brazilian real, the pound sterling, the Turkish lira, the Korean won, the Polish zloty, and the Mexican peso. In 2013, the depreciation of several important currencies for the Group had a negative impact on operating result from activity, whereas in 2010, their appreciation against the euro had a very favourable impact. At any rate, the final impact is the result of all fluctuations in the rates between the euro and other currencies, which may vary greatly from one currency to another. These fluctuations may partially offset one another, cancel each other out, combine for an even greater impact, etc. In 2013, the average exchange rate of the dollar was slightly lower than in 2012 (average euro/dollar: 1.33 in 2013 vs. 1.29 in 2012) which led the Group to record a slight positive impact in its operating result from activity nonetheless not sufficient to offset the negative effect of depreciation by several currencies.

This sensitivity analysis does not take into account the impact of currency exchange fluctuations on the competitiveness of our European industrial facilities, which still represent a large share of the Group's production: a strong euro in relation to most other currencies, notably the US dollar, makes European manufacturing more expensive than production in dollar zones, and thus acts as a curb on exports. Inversely, a stronger dollar could be a source of better competitiveness for our European production sources. Since Groupe SEB relies less on sourced finished products than its competitors, its exposure to the US dollar (which remains the standard currency for the procurement of outsourced products) is ultimately less than that of other companies.

With regard to interest rates, the analysis shows that the impact of a variation of 100 base points in short-term interest rates on profit before tax would be €2.5 million, based on 2013 Group debt.

Notes 27.2.1, 27.2.2 and 27.2.3 to the Consolidated Financial Statements provide additional information on the Group's sensitivity to currency fluctuations, variations in interest rates and raw material prices.

Insurance

GROUP GENERAL INSURANCE COVER

Groupe SEB's policy concerning insurance cover is to protect its assets against risks which could affect the Group. This transfer of risk to our insurers is nonetheless accompanied by risk protection and prevention measures. In 2010, the Group decided to re-assess its insurance costs and coverage by issuing a comprehensive, worldwide call for tenders (broker and insurance companies). This served to optimise costs and to tailor the Group's coverage to its specific risks and profile. For confidentiality reasons, the value of the tests is not disclosed.

INTEGRATED WORLDWIDE COVER

The Group has established a worldwide insurance plan with major international insurers to protect itself against major risks, which include damage to property and loss of earnings, civil liability, client and transport risks.

DAMAGE TO ASSETS AND LOSS OF EARNINGS

Cover for risk of damage to property and consequent loss of earnings due to the customary risks (fire, explosion, etc.) amounts to €250 million per claim for factories and warehouses.

This cover ceiling was calculated on the basis of the maximum possible risk, in consultation with the insurers and their assessors. This valuation assumes total destruction, in a single year, of one of the Group's main production sites. Lower thresholds are fixed for other categories of more specific or localised risk, such as the risk of earthquake in certain zones where the Group operates abroad.

This insurance cover takes into consideration additional risk protection measures at Group sites, which are regularly visited by specialist risk prevention assessors from the insurance companies concerned.

CIVIL LIABILITY

All the Group's subsidiaries are included in a worldwide civil liability insurance scheme that covers liability relating to their operations, their responsibilities in relation to their manufactured products and the cost of product recalls.

Cover amounts are based on reasonable estimates of the risks incurred by the Group in view of its business.

The Group also guarantees the civil liability of its management under a specific insurance policy.

ENVIRONMENT

A multi-risk environmental insurance policy covers environmental risks on all the Group sites.

Cover applies to:

- accidental, historical and gradual pollution;
- damage to biodiversity;
- depollution costs.

TRANSPORT AND INVENTORY

The Group's transport insurance covers damage to transported merchandise for all types of transport: sea, road/rail or air transport anywhere in the world.

This insurance covers transport risks up to an amount of €10 million per loss occurrence.

It also covers incidents occurring at warehouses up to a maximum of €15 million, with any amount over this limit being automatically covered by the policy for damage to property and loss of earnings.

CLIENT RISK

The Group's subsidiaries subscribe to credit risk insurance to cover their risk on client receivables.

LOCAL INSURANCE POLICIES

More specific insurance policies are subscribed to locally by each of the Group's companies, as appropriate.

Contingent assets

There were no exceptional events or litigation proceedings other than those referred to in Note 30.1 to the Consolidated Financial Statements.

In the past twelve months, other than the proceedings reflected in the financial statements and described in the accompanying notes, there have been no other government, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) which may have or have had in the recent past significant effects on the Group and/or its financial position or profitability.

2

CORPORATE GOVERNANCE

2.1. BOARD OF DIRECTORS

FOUNDING CHAIRMEN

FRÉDÉRIC LESCURE †
HENRI LESCURE †

HONORARY CHAIRMAN

EMMANUEL LESCURE

Chairman and CEO

THIERRY DE LA TOUR D'ARTAISE

First appointment: 1999 – Expiration of term: 2016.

59 years old.

CEO of SEB S.A. since 2000.

Entered Groupe SEB in 1994 when he joined Calor, of which he became Chairman and was appointed Deputy Chairman of SEB S.A. in 1999.

Number of SEB shares held: 235,803 shares.

Other current appointments and duties:
Board member of Club Méditerranée S.A. and Legrand;

Member of the Board of Lyonnaise de Banque, as permanent representative of Sofinaction;

Appointments to Groupe SEB companies: Chairman of SEB Internationale, Board member of Zheijiang Supor Co. Ltd (China).

Appointments and duties held in the last five years (excluding Groupe SEB companies) and now expired:
Board member of Plastic Omnium.

Board members

TRISTAN BOITEUX

Member of the Founder Group, member of FÉDÉRACTIVE.

First appointment: 2002 – Expiration of term: 2014 (1).

51 years old.

After having held various roles within Alcatel over a period of 11 years, since November 2000 he has been with Gemalto, where he currently serves as Product Manager, having previously held the position of commercial engineer.

Number of SEB shares held: 102,932 (of which 101,917 bare-owner shares).

Other current appointments and duties:
Member of the Advisory Board of FÉDÉRACTIVE;

Member of the Management Committee of the Mireille and Pierre Landrieu Foundation.

Other appointments and duties held in the last five years and now expired:
None.

(1) Terms of appointment expiring at the general meeting of 15 May 2014.

SARAH CHAULEUR

Member of the Founder Group, member of FÉDÉRACTIVE.

First appointment: 2013 – Expiration of term: 2017.

42 years old.

Ms Chauleur has a post-graduate degree in information and communication sciences. Since 2009 she has served as communications manager for FÉDÉRACTIVE.

Number of SEB shares held: 229,571 (of which 229,556 bare-owner shares).

Other current appointments and duties:

Member of the Advisory Board of FÉDÉRACTIVE.

Other appointments and duties held in the last five years and now expired:

None.

YSEULYS COSTES

Independent director.

First appointment: 2013 – Expiration of term: 2017.

41 years old.

Ms Yseulys Costes holds a masters in management sciences and a post-graduate degree in marketing and strategy from the Université Paris IX Dauphine. She founded the *1000mercis* company and has served as its Chairperson and CEO since 2000.

Number of SEB shares held: 750 shares.

Other current appointments and duties:

Board member of Kering S.A.,

Member of the Supervisory Boards of Numergy and Vivendi.

Other appointments and duties held in the last five years and now expired:

Member of the Advisory Board of the French sovereign investment fund FSI.

NORBERT DENTRESSANGLE

Independent director.

First appointment: 2002 – Expiration of term: 2014 (1).

59 years old.

In 1979 Norbert Dentressangle founded the Norbert Dentressangle group, a company specialising in transport and logistics, serving as its Chairman until 1998. He currently serves as Chairman of its Supervisory Board. He also serves as Chairman of DENTRESSANGLE INITIATIVES, a family holding company which, in addition to a majority stake in Norbert Dentressangle S.A., holds equity interest in real estate, industrial and business services companies.

Number of SEB shares held: 4,950 shares.

Other current appointments and duties:

Chairman of Dentressangle Initiatives (S.A.S.);

Chair of the Supervisory Board of Norbert Dentressangle (Sadir);

Chairman of ND Investissements (S.A.S.);

Managing Director of Sofade (S.A.S.);

Joint Managing Officer of Versailles Richaud ND (S.A.R.L.);

Member of the Supervisory Board of HDL (S.C.A.);

Vice-Chairman of the Board of AXA, Senior independent director;

Member of the Board of Sogebail.

Other appointments and duties held in the last five years and now expired:

AXA, member and Vice-Chairman of the Supervisory Board;

Finaixam, member of the Board;

Chairman of Financiere Norbert Dentressangle (S.A.S.).

(1) Terms of appointment expiring at the general meeting of 15 May 2014.

FÉDÉRACTIVE

Member of the Founder Group.

First appointment: 2005 (coopted by the Board on 16 December 2005) – Expiration of term: 2014 (1).

Controlling holding company.

FÉDÉRACTIVE is represented by its Chairman, Pascal Girardot.

Pascal Girardot, 58 years old, is a member of the French Institute of Actuaries. After fifteen years in financial markets and financial engineering with the Caisse des Dépôts et Consignations, as a member of the Markets Directorate, and then with CPR as Risk Manager with responsibility for its New York operations, since 1997 he has been Founder-Chairman of CERTUAL, a company specialising in financial engineering.

Former Chairman of the Treasury department's Advisory Committee on mandatory standards.

Number of SEB shares held by FÉDÉRACTIVE: 9,380,743 (of which 9,380,740 are nominee shares held as beneficiary).

Other current appointments and duties held by FÉDÉRACTIVE:

None.

Other appointments and duties held by FÉDÉRACTIVE in the last five years and now expired:

None.

Other current appointments and duties held by Pascal Girardot:

Board member of Gaggione S.A., Babylone S.A., NewCore S.A.S. and Tugak S.A.S., Member of the Advisory Board of Proxinvest.

Other appointments and duties held by Pascal Girardot in the last five years and now expired:

None.

HUBERT FÈVRE

Member of the Founder Group, member of FÉDÉRACTIVE.

First appointment: 2003 – Expiration of term: 2015.

49 years old.

Chartered accountant.

Based in Geneva, he is Financial Officer for Banque Pasche.

He previously held financial positions in London with Sonatrach Petroleum Corporation, VSNL International, Addax & Oryx and Finacor.

Number of SEB shares held: 418,511 (of which 413,511 bare-owner shares).

Other current appointments and duties:

Member of the Advisory Board of FÉDÉRACTIVE;

Board member of FCL Investissements.

Other appointments and duties held in the last five years and now expired:

None.

FFP, THEN FFP INVEST (2)

First appointment: 2013 – Expiration of term: 2017.

FFP Invest is a wholly-owned subsidiary of FFP, a holding company listed on the Paris stock exchange and majority owned by the Peugeot family group.

FFP Invest is an independant director, represented by Christian Peugeot.

An HEC graduate, Christian Peugeot, 60 years old, has spent his whole career with the PSA group. He currently serves as Executive Vice-president of Public Affairs and External Relations Representative of PSA.

Number of SEB shares held by FFP Invest: 2,521,522 shares.

Other current appointments and duties held by FFP Invest:

Vice-Chairman and member of the Supervisory Board of IDI;

Member of the Supervisory Board of ONET and Zodiac Aerospace;

Chairman of Financière Guiraud S.A.S.;

Director of ORPEA, LT Participations and IPSOS;

Manager of FFP-Les Gréssillons.

Other appointments and duties held by FFP Invest in the last five years and now expired:

Managing Officer of Valmy-FFP.

Other current appointments and duties held by Mr Peugeot:

Vice-Chairman and Deputy CEO of Établissements Peugeot Frères;

Board member of Compagnie Industrielle de Delle and LISI;

Vice-Chairman of FC Sochaux Montbéliard S.A.;

Chairman of UNIFAB;

Manager of S.A.R.L. BP Gestion, S.A.R.L. RP Investissements and SC Laroche.

Other current appointments and duties held by Christian Peugeot in the last five years and now expired:

None.

(1) Term of appointment expiring at the general meeting of 15 May 2014.

(2) Co-opting of FFP Invest at the Board Meeting of 23 July 2013. Formerly FFP. Co-opting subject to the ratification of the General Meeting of 15 May 2014.

JACQUES GAIRARD

Member of the Founder Group, member of VENELLE INVESTISSEMENT.

First appointment: 1976 – Expiration of term: 2015.

74 years old.

Having joined Groupe SEB in 1967, he was appointed Managing Director of SEB S.A. in 1976, Vice-Chairman in 1988 and Chairman and CEO from 1990 to 2000.

Number of SEB shares held: 42,950 shares.

Other current appointments and duties:
Member of the Board of Directors of Maison Rouge, a contemporary art foundation.

Other appointments and duties held in the last five years and now expired:
Board member of Bongrain S.A.;

Member of the Supervisory Board of Soparind S.C.A.;

Member of the Management Board of VENELLE INVESTISSEMENT.

2

JEAN-NOËL LABROUE

Independent director.

First appointment: 2010 – Expiration of term: 2014 [(1)].

66 years old.

Mr Labroue spent almost all his career in the Darty group. He served as Chairman of the Board of Directors of Groupe Darty, Managing Director of Kingfisher UK and Managing Director of Kesa Electricals UK until 2009.

Jean-Noël Labroue is an engineer by training, and holds a Master of Science degree from Northwestern University Chicago.

Number of SEB shares held: 1,250 shares.

Other current appointments and duties:
None.

Other appointments and duties held in the last five years and now expired:
Managing Director and member of the Board of Kesa Electricals Plc (UK);

Member of the Supervisory Board of Établissements Darty et Fils;

Chairman and CEO of Kesa France;

Chairman of the Boards of New Vanden Borre and Kesa International Plc;

Board member of Datart Investments S.A., Datart Megastore S.R.O., Datart International as, Kesa Holding Ltd, Kesa Electricals Plc, Kesa Sourcing Ltd, Kesa Spain Ltd, Kesa Turkey Ltd, Kesa Electricals Asia Ltd.

PHILIPPE LENAIN

(resigned 25 February 2014)

Independent director.

First appointment: 2000 – Expiration of term: 2016 [(1)].

77 years old.

Former Vice-president and Managing Director of the Danone group.

Number of SEB shares held: 1,650 shares.

Other current appointments and duties:
None.

Other appointments and duties held in the last five years and now expired:
None.

(1) Terms of appointment expiring at the general meeting of 15 May 2014.

FONDS STRATÉGIQUE DE PARTICIPATIONS (FSP)

(coopted on 25 February 2014, to be ratified at the general meeting of 15 May 2015)

The SICAV FSP is an independent director, represented by Catherine Pourre.

Ms. Catherine Pourre, 57 years old, graduated in chartered accounting from ESSEC. She began her career at PriceWaterhouseCoopers, where she was a partner from 1989 to 1999, then moved on to Cap Gemini Ernst & Young as CEO for High Growth Middle Market and member of the French Executive Committee. She subsequently joined UNIBAIL-RODAMCO Group in 2002, where she worked as Senior Executive Vice-president of finance, information technology, human resources, organisation and property engineering before becoming General Manager of Core Business and member of the Management Board from 2007 to September 2013.

Number of SEB shares held by FSP: 2,663,876 shares.

Other current appointments and duties held by FSP:
None.

Other appointments and duties held in the last five years and now expired:
None.

Other current appointments and duties held by Catherine Pourre:
Board member of Neopost and of U&R Management B.V.;

Member of the Supervisory Board of Beneteau S.A.

Other appointments and duties held by Catherine Pourre in the last five years and now expired:
Member of the Management Board and President, Core Businesses, Unibail-Rodamco;

Chairman and CEO, Tayninh;

Chairman of Doria, Unibail Management and Espace Expansion Immobilière;

Director of Comexposium Holding, Unibail-Rodamco Participations, Viparis Holding, Viparis-Le Palais des Congrès de Paris, Union Immobilière Internationale and Rodamco Europe Beheer B.V;

Director of the permanent establishment of Unibail-Rodamco S.E. in the Netherlands;

Member of the Supervisory Board, Uni-Expos;

Chairman of the Audit Committee, SCI Propexpo;

Chairman of the Audit Committee and the Nominations and Remuneration Committee, Viparis Porte de Versailles;

Permanent representative, Unibail-Rodamco, Director, Crossroads Property Investors SA and permanent representative, Rodamco Europe N.V., which in turn manages 8 Unibail-Rodamco subsidiaries;

Member of the Management Board of Rodamco Europe N.V.

CÉDRIC LESCURE

Member of the Founder Group, member of FÉDÉRACTIVE.

First appointment: 1998, then 2009 - Expiration of term: 2015.

46 years old.

Veterinary Surgeon.

Number of SEB shares held: 530,451 (of which 520,410 bare-owner shares).

Other current appointments and duties:
Managing Officer of Rallye Charmoy S.A.R.L.;

Managing Director of Vetshop 21 S.A.S.;

Member of the Advisory Board of FÉDÉRACTIVE.

Other appointments and duties held in the last five years and now expired:
Manager of the Forestier La Pépine group;

Manager of Vetshop Creation S.A.R.L.

2

LAURE THOMAS

Member of the Founder Group, member of VENELLE INVESTISSEMENT.

First appointment: 2013 – Expiration of term: 2017.

42 years old.

Graduate of the École Supérieure de Commerce de Dijon, interior designer.

Number of SEB shares held: 263,003 (of which 15,737 bare-owner shares).

Other current appointments and duties:

Member of the Supervisory Board of VENELLE INVESTISSEMENT;

Manager of property investment company Pommard Clos Blanc.

Other appointments and duties held in the last five years and now expired:

Member of the Management Board of Société Pierre Cotte;

Co-manager of Groupement Forestier Bartavelle.

VENELLE INVESTISSEMENT

Member of the Founder Group.

First appointment: 1998 – Expiration of term: 2016.

VENELLE INVESTISSEMENT, a family shareholder company, is represented by Damarys Braida.

She is 46 years old and holds an engineering degree from Ecole des Mines de Paris. In 1991 she joined L'Oréal. She is currently head of Cosmetics Research Strategy.

Number of SEB shares held by VENELLE INVESTISSEMENT: 17,902 shares.

Other appointments and duties held byVENELLE INVESTISSEMENT:

None.

Other appointments and duties held by VENELLE INVESTISSEMENT in the last five years and now expired:

None.

Other current appointments and duties held by Damarys Braida:

Chair of VENELLE INVESTISSEMENT;

Managing Director of VENELLE PLUS.

Other appointments and duties held by Damarys Braida in the last five years and now expired:

None.

JÉRÔME WITTLIN

Member of the Founder Group, member of VENELLE INVESTISSEMENT.

First appointment: 2004 – Expiration of term: 2016.

54 years old.

Jérôme Wittlin began his professional career in 1984 with the Credit Lyonnais group where, notably, he was Director of Clinvest, a subsidiary specialising in mergers and acquisitions. From 2004 he was an Executive Director of Crédit Agricole Corporate and Investment Bank.

Beginning in 2006 he served as Executive Director of Goldman Sachs Private Wealth Management in France. He joined Crédit Mutuel CIC in 2011. He is currently Director of the Large Private Investors department of Crédit Mutuel CIC and a member of the Executive Committee of Banque Transatlantique.

Number of SEB shares held: 6,338 shares.

Other current appointments and duties:

Managing Director of VENELLE INVESTISSEMENT;

Managing Director of VENELLE PLUS;

Managing Officer of Trois Rivieres Holding;

Member of the Board of Trajectoire;

Member of the Board of the French Association for Brain Tumour Research (ARTC).

Other appointments and duties held in the last five years and now expired:

Member of the Management Board of VENELLE INVESTISSEMENT.

At 31 December 2013, Board members held 27.42% of the company's share capital and 34.06% of its effective voting rights (33.40% of the theoretical voting rights). Each Board member is required to hold a minimum number of shares in the SEB S.A. nominal share register equivalent to about two years of attendance fees.

Renewal of the terms of three Board members, appointment of a Board member and ratification of the cooption of two Board members

Since the terms of four Board members will be ending at the General Meeting of 15 May 2014, shareholders will be asked, at the recommendation of the Nominations and Remuneration Committee, to re-elect three Board members and to replace one Board member in accordance with the provisions of the company bylaws for staggered re-appointment of Board members.

Shareholders at the general meeting will be asked to renew the terms as Board member of FÉDÉRACTIVE, Tristan Boiteux and Jean-Noël Labroue.

To replace Norbert Dentressangle, who is not seeking reappointment, the Board of Directors decided, at the recommendation of the Nominations and Remuneration Committee, to propose the appointment of Bruno Bich as Board member, for a term of four years.

Moreover, as Philippe Lenain resigned at the end of the Board Meeting of 25 February 2014, the Board of Directors coopted the same day, at the recommendation of the Nominations and Remuneration Committee, the SICAV Fonds Stratégique de Participations (FSP) as a Board member for the remaining term of his appointment until the general meeting of 2016. FSP is represented by Catherine Pourre. Shareholders will be asked to ratify this cooption at the general meeting of 15 May 2014.

Finally, following the restructuring FFP's SEB S.A. shares were transferred to FFP Invest in December 2011. As a result FFP Invest was coopted to replace FFP at the Board of Directors meeting held 23 July 2013, for its remaining term of office, ending at the general meeting of 2017. Shareholders will be asked to ratify this cooption, which involves no change to the Board membership as Christian Peugeot will continue to represent FFP Invest, at the general meeting of 15 May 2014.

Founder family connection

- All Board members belonging to the Founder Group are descendants, directly or by marriage, of Founder-Chairmen Frédéric Lescure and Henri Lescure.
- There is no family connection between Board members and members of the Group Executive Committee, with the exception of Thierry de La Tour d'Artaise.

Convictions for fraud, involvement in bankruptcy or official public sanction

To the company's knowledge:

- no member of the Board of Directors or Group Executive Committee has been convicted of fraud in the last five years;
- no member of the Board of Directors or Group Executive Committee has been the subject of a bankruptcy, receivership or liquidation in the last five years;
- no member of the Board of Directors or Group Executive Committee has been the subject of any official charge or sanction by statutory or regulatory authorities;
- no member of the Board of Directors or Group Executive Committee has been subject to any court order or restriction from serving as a member of a Management Board, Board of Directors or Supervisory Board, or from being involved in the management or affairs of an issuer of securities in the last five years.

Potential conflicts of interest

As far as the company is aware, there is no potential conflict between their duties with regard to SEB S.A., and the individual interests of any member of the Board or general management.

Service contracts

No member of the Board of Directors or Group Executive Committee has any contractual service relationship with SEB S.A. or its subsidiaries, the terms of which would bestow advantages on the member.

2.2. ORGANISATION AND OPERATION OF THE BOARD OF DIRECTORS

Information regarding the organisation and operation of the Group's administrative and management bodies is included in the Chairman's report on internal control (page 44).

The activities of the Group's governing and management bodies are compliant with corporate governance rules generally applied by French companies whose shares are traded on a regulated market.

Groupe SEB complies with the AFEP-MEDEF Corporate Governance Code for listed companies, updated in June 2013 (hereinafter referred to as the "AFEP-MEDEF Code"). This code may be consulted on the MEDEF's website.

Operation of the Board of Directors

- The Board of Directors is a collective body which represents all the shareholders and acts solely in the interests of the company.

On the proposal of the Chairman and Chief Executive Officer, the Board of Directors decides on Group strategy, capital expenditure and budgets, deliberates on the management structures of the Group and decides on acquisitions.

The Board of Directors has made it an internal rule that, in view of their importance, decisions on the cancellation of shares or the possible use of General Meeting authorisations to increase capital should be subject to a qualified majority vote of 12/15ths of the members present or represented.

- The Board of Directors has 15 members:
  - the Chairman,
  - 9 Board members representing the Founder Group: 5 Board members are proposed by FÉDÉRACTIVE and 4 by VENELLE INVESTISSEMENT,
  - 5 independent directors.

One third of the Board members are independent, as recommended by the AFEP-MEDEF Code.

To be considered independent, a director must have no relationship with the company, the Group or its management, which could compromise the impartiality of the director's judgement (AFEP-MEDEF Code definition).

After examining the Board member situation, the Board considered that Norbert Dentressangle, Jean-Noël Labroue, Philippe Lenain, until 25 February 2014 and thereafter Catherine Pourre, permanent representative of FSP, Yseulys Costes and Christian Peugeot, permanent representative of FFP Invest, are independent directors as defined by the AFEP-MEDEF Code.

- The term of office of Board members is four years.
- Board membership is renewed by rotation, so that shareholders can have a more frequent influence on the make-up of the Board.
- In June 2002 the Board of Directors confirmed the unitary organisation of the company's management authority. This decision has been re-affirmed each time that Thierry de La Tour d'Artaise has been re-elected, in 2004, 2008 and 2012. The Chairman, Thierry de La Tour d'Artaise, therefore assumes the function of Chief Executive Officer. This choice is based on reasons of efficiency.

The Board of Directors did not restrict the authority of the Chief Executive Officer.

Although the company is monitored, the organisation and operating methods of the Board of Directors and the Committees ensure balanced control and effective management of conflicts of interest. Effectively, excluding the Chairman:

- five Board members are independent;
- the nine members of the Board representing the Founder Group are subject to the same regulations as other directors, concerning the interest of the company and the rules stated in the Charter and Internal Regulations.

In addition, each year since 2003 (except in 2009), the Board has assessed its operations, ensuring that all rules applicable to good corporate governance are respected.

In accordance with law no. 2011-103 of 27 January 2011 on equal representation of women and men on Boards of Directors and the oversight of equality at work, the Board of Directors now includes five women, a third of its members.

Board of Directors' Meetings

The Board of Directors met five times in 2013. The attendance rate was 92%.

The Board of Directors has met on several occasions in recent years at Groupe SEB sites outside France – for example in Portugal in 2008 and China in 2011.

These occasions enable Board members to meet personnel in the subsidiaries and better understand local problems in their context.

Directors' fees

The maximum amount of attendance fees authorised by the 2011 Annual General Meeting is €450,000.

Each Board member receives an annual pay of €24,000.

Members participating in the work of the Board Committees receive an additional €10,000 or, in the case of Committee Chairmen, €15,000. Due to the high attendance rate for Board and Committee Meetings, it has not been considered necessary until now to introduce a variable component of annual pay based on attendance. However, in compliance with the new recommendations of the AFEP-MEDEF Code a variable component of pay will be linked to attendance from 2014. Attendance fees will therefore be allocated as follows:

- a fixed component of 50%;
- a variable component of 50% conditional on attendance (prorata the number of meetings during the year).

The same system will apply to Committee members.

In 2013, attendance fees paid to Board members totalled €450,000 (gross of deductions and withholdings), unchanged from 2012.

This represents attendance fees due for the period from 1 May 2012 to 30 April 2013, and paid in May 2013.

Board of Directors' Committees

To assist it in specialist matters, the Board formed two Committees in 1995, drawn from its members:

- **The Audit Committee** has been composed of four members since 11 December 2009. In 2013, these were Philippe Lenain, Chairman, Norbert Dentressangle, Hubert Fèvre representing FÉDÉRACTIVE and Jérôme Wittlin representing VENELLE INVESTISSEMENT. Each member has financial or accounting skills.

The Chairman of the Committee is an independent director and has a deciding vote in the event of a split vote.

This Committee informs the Board on the identification, evaluation and handling of the main financial risks to which the Group may be exposed. Its role is to ensure the conformity of financial reporting methods. It assists the Board with observations or recommendations and participates in the preparatory procedure for appointing Statutory auditors.

The Audit Committee is held in the presence of the Statutory auditors, the Executive Vice-president, Finance, the Director of Internal Audit and the Director of Accounts.

The accounts review is accompanied by a presentation from the Statutory auditors stressing, not only the salient points identified during their audits, but also the selected accounting options and a report describing exposure to risks and significant off-balance sheet commitments.

Audit Committee activity

The Audit Committee met three times in 2013 with a 92% attendance rate.

In 2013, the Audit Committee examined the following recurring items:

- the draft annual accounts as at 31/12/2012 and the draft half-year accounts as at 30/06/2013, prior to their submission to the Board of Directors,
- the Chairman's report on internal control,
- the nature and results of the work done by the Statutory auditors along with their comments and recommendations on internal control,
- a review of the main findings of the internal audits carried out in 2013,
- proposed internal audit schedules for 2014,
- a review and analysis of major risks.

- **The Nominations and Remuneration Committee** has been composed of four members since 11 December 2009. In 2013, these were Jean-Noël Labroue, Chairman, Philippe Lenain, Pascal Girardot representing FÉDÉRACTIVE and Damarys Braida, representing VENELLE INVESTISSEMENT.

The Chairman of the Committee is an independent director and has a deciding vote in the event of a split vote.

The Committee reports on its work to the Board of Directors and makes recommendations on the composition of the Board, on the terms of office of directors, and on the Group's organisation and structures; it also makes proposals to the Board concerning the executive officer remuneration policy, as well as the introduction of stock option plans and performance shares and their applicable terms and conditions.

The Nominations and Remuneration Committee met on two occasions in 2013, with a 100% attendance rate.

Nominations and Remuneration Committee activity

In 2013, the Nominations and Remuneration Committee:

- examined the 2012 bonus and 2013 fixed and variable remuneration for the Chairman and other members of the Group Executive Committee,
- compiled the responses to the Board of Directors' evaluation,
- conducted an annual review of human resources,
- reviewed the candidates for the Board of Directors, who will be voted on by shareholders at the next General Meeting,
- examined the governance practices of Groupe SEB, particularly in light of changes to the law and AFEP-MEDEF Code, and recommended a number of measures.

It also decided that, as from 2014, it would review the company's Corporate Responsibility report.

All issues addressed by the Audit Committee and the Nominations and Remuneration Committee are noted in a report to the Board of Directors.

Evaluation of the Board of Directors

For the tenth time, the Board of Directors evaluated its operations in 2013.

The evaluation was based on a detailed questionnaire given to each Board member. This questionnaire was subdivided into seven sections:

- preparation of the Board;
- operation of the Board;
- Committees;
- remuneration of Board members;
- composition of the Board;
- keeping Board members informed;
- corporate governance, notably in light of the revisions to the AFEP-MEDEF Code updated in June 2013.

The Board of Directors considered that overall, the Board's operation was very satisfactory, as most of the improvements proposed during the previous evaluations had been implemented.

On the whole, Board members are satisfied with the information provided to them to carry out their task and particularly appreciate the special site for directors, created in 2006, which contains all the documents they require.

Directors' Charter and Internal Rules of the Board of Directors

In 2003, the Board of Directors defined a Directors' Charter and its Internal Regulations, compiled in a single document. This document is updated regularly, most recently in 2013, to include the latest recommendations of the AFEP-MEDEF Code.

DIRECTORS' CHARTER

This Charter was drawn up to ensure that Board members have a clear understanding of their roles, rights and duties.

The main points of the Charter cover: respect for and defence of the interests of the company, regular attendance at meetings, attention to possible conflicts of interest, access to information, confidentiality, objective analysis, and vigilance with regard to the regulations governing privileged information.

INTERNAL RULES

The Internal Regulations cover the composition, operation, role and mission of the Board and its Committees and the Board member remuneration policy.

Keeping Board members informed

In 2006, a documentary database for SEB directors was made available via a secure link on the corporate website. This database contains an upload of all the above documents and any other information that may be useful to the directors for completing their task.

When a new member is appointed to the Board, he or she is given an access code to the site which contains comprehensive information on the Group and its working context. This includes the company bylaws, the Directors' Charter and Internal Rules, a draft agenda of each meeting of the Board and its Committees, data on its factories and marketing facilities, human resources policy, a breakdown of employees by continent and by subsidiary company, etc.

In addition, each Board member periodically receives data concerning monthly sales figures and results, press reviews, a report on SEB S.A.'s stock market performance, and minutes of the meetings of the Board of Directors, the Audit Committee and the Nominations and Remuneration Committee.

Implementation of recommendations made in the AFEP-MEDEF Code

In line with the "Apply or Explain" rule in Article L. 225-37 of the French Commercial Code and Article 25.1 of the AFEP-MEDEF Code, the company judges that its practices comply with the AFEP-MEDEF recommendations. However, some recommendations were not applied, for the reasons explained below:

AFEP-MEDEF recommendations not applied	Reason
Article 10.4: Evaluation of Board performance It is recommended that the non-executive directors meet periodically without the executive or "in-house" directors. The internal rules of operation of the Board of Directors must provide for such a meeting once a year, at which time the evaluation of the Chairman's, Chief Executive Officer's and Deputy Chief Executives' respective performance shall be carried out, and the participants shall reflect on the future of the company's executive management.	Issues regarding the performance of the Chairman and CEO are dealt with by the Nominations and Remuneration Committee in his absence. For this reason, given the collective character of the Board of Directors, there are no plans to hold formal meetings of non-executive directors in the absence of the Chairman and CEO. Nor is this option provided for in the Board of Directors' Internal Rules.
Articles 15.1, 17.1 and 18.1: Proportion of independent directors on Committees At least two thirds of members of the Accounts Committee must be independent directors. The Nominations and Remuneration Committee must include a majority of independent directors.	Given the shareholder structure of the company, controlled by two major shareholders, the Audit Committee and the Nominations and Remuneration Committee are made up of four members, including two independents, and a Board member representing each major shareholder. These two Committees are both chaired by independent directors whose vote is casting in the event of a tie.
Article 22: Chief Executive Officer's employment contract When an employee is appointed as executive director, it is recommended to terminate his or her employment contract with the company or with a company affiliated to the Group, whether through contractual termination or resignation (Code rule adopted in 2008).	Thierry de La Tour d'Artaise began his career 1994 and was appointed Vice-Chairman of SEB S.A. in 1999 before becoming Chairman and CEO in 2000. In accordance with changing governance practice, his employment contract has been suspended since 2005. The Board of Directors' meeting of 17 February 2012, having reexamined the circumstances, considered that Thierry de la Tour d'Artaise's employment contract should remain suspended, in light of his age, personal situation and seniority with the Group.
Article 23.2.2: Performance shares In accordance with terms determined by the Board and announced upon the award, the performance shares awarded to executive directors are conditional upon the acquisition of a defined quantity of shares once the awarded shares are available.	Since the grant and vesting of performance shares to the Chairman and CEO is already subject to lock-up conditions, the Board of Directors decided not to require Thierry de La Tour d'Artaise to buy additional shares, as recommended by the AFEP-MEDEF Code, when the performance shares become available. The existing lock-up and performance conditions were considered adequate.

2.3. GROUP MANAGEMENT BODIES

Group Executive Committee

Thierry de La Tour d'Artaise	Chairman and CEO
Stéphane Laflèche	Senior Executive Vice-president, Industrial Operations
Vincent Léonard *	Senior Executive Vice-president, Finance
Bertrand Neuschwander	Senior Executive Vice-president, Strategy and Business Units
Harry Touret	Senior Executive Vice-president, Human Resources
Frédéric Verwaerde	Senior Executive Vice-president, Continents

* *Replaced Jean-Pierre Lac from the 1 June 2013.*

Continental General Management

Xavier Desmoutier	President, Asia-Pacific
Luc Gaudemard	President, Europe
Volker Lixfeld	President, North America
Gérard Salommez	President, France and Belgium
Fernando Soares	President, South America
Vincent Tai	President, Supor
Martin Zouhar	President, Eurasia

Strategic Business Areas (SBAs) management

Cyril Buxtorf	President, Home & Personal care
Philippe Crevoisier	President, Kitchen Electrics
Patrick Llobrégat	President, Cookware

Other General Managers

Patrick Le Corre	President, Strategy
Jean-Christophe Simon	President, Innovation

The Group Executive Committee defines and implements overall Group strategy. It meets twice a month to define consolidated goals, monitor strategic plans, decide on priorities and allocate the resources needed for Strategic Business Areas, Continental General Management and Other General Managers.

The Group Management Board comprises the members of the Group Executive Committee, the Presidents of the Strategic Business Areas and Continental Structures, the President in charge of Strategy and the President in charge of Innovation. It meets on average every two months to monitor the Group's performance and results, and if necessary, to adjust its commercial or industrial strategy.

A forum for exchanging views and reflection, the Group Management Board plays a supervisory role and ensures the proper overall functioning of Groupe SEB.

2.4. REMUNERATION AND BENEFITS

Remuneration of management (Group Executive Committee)

Remuneration policy for top management is set by the Board of Directors at the recommendation of the Nominations and Remuneration Committee. It is reviewed regularly and aims to provide balanced and consistent remuneration in line with the best practice of major international groups.

Following the recommendations of the Nominations and Remuneration Committee, the Board of Directors has laid down the following management remuneration policy:

- fixed remuneration is determined by taking into account the level of responsibility, experience in the management function and market practices;
- the short-term variable component depends on Groupe SEB's performance and the individual performance of each senior executive according to pre-established criteria set annually by the Board of Directors. It may represent anywhere from 0% to 150% of the basic fixed remuneration for the Chief Executive Officer and from 0% to 100% for the other members of the Group Executive Committee;
- the long-term variable component, in the form of stock options and/or performance shares, aims to align management interests with the long-term development of the company's value.

The total remuneration granted to senior executives is determined by taking all factors into account, including the benefit of the supplementary pension plan.

On these principles, the Committee proposes to the Board of Directors the fixed amount of remuneration for each executive officer, and the performance conditions for the variable component.

In 2013, remuneration of the current members of the Group Executive Committee amounted to €5,012,807, of which €3,067,517 for the fixed component and €1,945,290 for the variable component.

Remuneration of the Chairman and Chief Executive Officer

The information given below covers all remuneration (fixed and variable components) and benefits of every kind (stock options, performance shares, severance allowance, benefits in kind and supplementary pension benefits) concerning Thierry de La Tour d'Artaise, the only Company officer to receive remuneration (as the other Board members receive attendance fees only).

In respect of his corporate mandate as Chairman and Chief Executive Officer of SEB S.A., Thierry de La Tour d'Artaise receives:

- a fixed remuneration;
- a variable remuneration, granted under performance conditions and capped at 150% of the fixed remuneration.

He receives no deferred or multi-year remuneration arrangements and no other remuneration from the company or other Groupe SEB companies, apart from attendance fees for his membership of the SEB S.A. Board of Directors, amounting to €24,000 in 2013.

FIXED REMUNERATION

The amount of annual salary is debated and then proposed by the Nominations and Remuneration Committee to the Board of Directors.

In 2013, the fixed remuneration for Thierry de La Tour d'Artaise amounted to €850,000. It has been unchanged since 2011.

VARIABLE COMPONENT

The variable remuneration of Thierry de La Tour d'Artaise is calculated according to the same principles and rules used for the Group's executives:

60% depends on meeting quantitative targets for Groupe SEB, based on sales and operating result from activity. 40% depends on qualitative assessment of individual performance, which is evaluated by the Nominations and Remuneration Committee based on specific strategic objectives.

The amount of variable remuneration is calculated from the annual fixed remuneration in the year under review.

The quantitative and qualitative performance criteria are defined by the Board of Directors at the beginning of the year in line with the Group's strategic priorities.

For 2013, the qualitative criteria used are: the progress of the Group's organisation, management of the company in a highly uncertain year, the relaunch in China and the supervision of recent acquisitions, particularly in India.

These annual objectives are discussed and then proposed by the Nominations and Remuneration Committee, before being confirmed by the Board of Directors.

At its meeting of 25 February 2014, the Board of Directors, at the recommendation of the Nominations and Remuneration Committee, evaluated the amount of variable remuneration to be paid to Thierry de La Tour d'Artaise in respect of 2013.

The degree to which the objectives were met was established rigorously and precisely but not published, as revealing the details of how performance was being assessed, particularly to competitors, was considered likely to imperil the strategy's success.

Given the quantitative and qualitative objectives set by the Board on 22 February 2013 and the performance at 25 February 2014, Thierry de La Tour d'Artaise's variable remuneration for 2013 was calculated at 107.6% of fixed remuneration or €914,600.

This compares to €800,000 paid in 2013 in respect of 2012.

BENEFITS IN KIND

Thierry de La Tour d'Artaise has a company car, equivalent to a benefit of €7,524 for the year, and receives €15,200 per year for the use of an apartment in Paris.

STOCK OPTIONS – PERFORMANCE SHARES

In accordance with the authorisation granted by resolution 11 of the general meeting of 14 May 2013, the Board, at its meeting held 23 July 2013, decided to award 18,000 performance shares to Thierry de La Tour d'Artaise in respect of 2013.

The Board of Directors decided that the entirety of the grant to top management should be subject to performance conditions linked to the growth of sales and operating result from activity.

The performance calculation depends on how successfully the targets for sales and operating results from activity are met during the three-year lock-up period (2013, 2014 and 2015).

If at least 100% of the targets for sales and operating result from activity is achieved, all performance shares will be granted.

If 50% to 100% of the targets for sales and operating result from activity is achieved, stock options and performance shares will be granted on a proportional basis.

If less than 50% of the targets is achieved, no performance shares will be granted.

In addition, shares originating from the exercise of stock options and free shares allocated to Thierry de La Tour d'Artaise will be subject to an obligation to hold them in his name for the duration of occupancy of his post, in the following amounts:

- for shares originating from exercised stock options, a quantity of shares corresponding to 50% of the net gain on acquisition, net of tax and statutory deductions and transaction fees, realised at the time of exercise of the options;
- for performance shares, a quantity of shares corresponding to 50% of the net gain on acquisition, net of tax, statutory deductions and transaction fees.

These amounts will be reduced to 20% of the net gain as soon as the number of shares held by Thierry de La Tour d'Artaise reaches the equivalent of two years of remuneration.

The award of performance shares has no dilutive effect on earnings as all shares granted are existing shares bought back by the Group.

The 18,000 shares granted to Thierry de La Tour d'Artaise under the 2013 performance share plan equate to 0.0359% of the share capital.

As recommended by the AFEP-MEDEF Code, the Board makes the awards at the same calendar periods each year.

The company requires that top management formally undertake not to hedge their risk on the options or shares arising from the exercise of options or performance shares until the end of the lock-up period set by the Board of Directors.

LONG-TERM COMMITMENTS

Pension commitment

Thierry de La Tour d'Artaise is a member of the top-hat pension scheme set up for French members of Groupe SEB Executive and Management Committees.

The scheme is additional to the mandatory schemes and functions as follows:

- a defined benefit deferred compensation plan, under which beneficiaries are subject to seniority conditions and the benefits are only payable if the executive is still a member of the Group when he retires. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated as the average of the target remuneration for the executive's final three years of service with the Group;
- a defined benefit supplementary pension plan, under which beneficiaries are also subject to seniority conditions and the benefits are only payable if the executive is still a member of the Group when he retires. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated as the average of the target remuneration for the executive's final three years with the Group. The number of years for which entitlements may accrue under this plan has been capped at 20, i.e. a maximum 16% of the reference remuneration. Pensions earned under the defined contribution plan are deducted from this supplementary pension. Contributions to this collective scheme are set at 8% of salary capped at 8% of the annual social security ceiling, which was €23,700 in 2013.

To qualify for the defined benefit plan, Groupe SEB executives must have been a member of the Executive or Management Committee for at least eight years.

The aggregate benefits payable under both the top-hat scheme and the applicable statutory schemes are capped at 41% of the reference remuneration.

As a result, the complementary pension scheme for French top management (including the Chairman and CEO) complies with AFEP-MEDEF recommendations as updated in June 2013:

- Seniority required: minimum eight years on the Executive Committee or Management Committee;
- Rate of progression: entitlements based on seniority up to a maximum of 3.925% annually and capped after 20 years' seniority;
- Reference period: average of last three years' remuneration;
- Maximum of 41% including benefits from statutory schemes.

Furthermore, the Board of Directors' Meeting of 19 March 2010 decided, in addition to the above rules, to limit the reference remuneration used as the calculation basis to 36 times the annual Social Security ceiling in force on the retirement date. This means that the corporate officer will be eligible for a gross compensation replacement rate (including the benefits of statutory retirement plans) of 32% of the reference remuneration at the legal retirement age.

Groupe SEB intends to outsource the entire commitment through matching payments to a fund into which the pension contributions are made on a regular basis.

Severance allowance

Thierry de La Tour d'Artaise will not be entitled to any compensation for loss of office when he ceases to be a corporate officer.

His employment contract, signed when he joined Groupe SEB in 1994 and last amended when he was appointed Managing Director of the Group, was suspended on 1 March 2005 for the duration of his term as corporate officer.

In the same way as for other Executive Committee members, the contract stipulates that in the event of termination of his employment contract at Groupe SEB's initiative, except as a result of gross negligence or serious misconduct, or forced departure following a change of control of Groupe SEB, Thierry de La Tour d'Artaise will be eligible for a total termination benefit equal to two years' remuneration. Following adoption of France's TEPA Act, an addendum to this contract was signed making the termination benefit subject to performance conditions. The revised contract stipulates that the termination benefit, set at a maximum of two years' gross salary and bonus, will be adjusted based on actual performance in relation to targets over Thierry de La Tour d'Artaise's last four years of service, as follows:

- if average actual performance falls short of the targets by 50% or more, no termination benefit will be paid;
- if average actual performance represents 50% to 100% of the targets, between 75% and 100% of the termination benefit will be paid;
- if average actual performance exceeds the targets, the termination benefit will be paid in full.

The Board of Directors retains the right to reduce such termination benefits, by a maximum of one-half, if the previous year-end presents a net loss, without such benefits falling below the fixed salary plus bonuses of the previous year-end, should application of the performance criteria based on the achievement of objectives entitle the payment of termination benefits.

Thierry de La Tour d'Artaise's employment contract does not contain any no compete clause.

The Group's remuneration policy aims to attract and retain talented employees. Groupe SEB's policy has always been to encourage internal promotion and sustainable management.

Thierry de La Tour d'Artaise began his career 1994 and was appointed Vice-Chairman of SEB S.A. in 1999 before becoming Chairman and CEO in 2000. In accordance with changing governance practice, his employment contract has been suspended since 2005.

On 17 February 2012, in accordance with the AFEP-MEDEF Code, the Board of Directors reviewed the situation and agreed that the employment contract of Thierry de La Tour d'Artaise should remain suspended due to his age, his personal situation and his seniority within the Group.

Retirement lump-sum payment

The total retirement lump-sum payment entitlement of Thierry de La Tour d'Artaise amounts to €284,378 due to his seniority.

Table 1

Remuneration, stock options and shares allocated to the Chief Executive Officer

	2012	2013
Thierry de La Tour d'Artaise - Chairman and Chief Executive Officer		
Remuneration due for the year (details in table 2)	€1,696,724	€1,811,324
Valuation of stock options allocated during the year (details in table 4) *	€664,632	€0
Valuation of performance-related shares allocated during the year (details in table 6) *	€183,195	€907,560
TOTAL	**€2,544,551**	**€2,718,884**

* *On each allocation date, the book fair value of the stock options and shares Is determined In accordance with IFRS rules. This is an historical value as of the allocation date, calculated for accounting purposes according to the method described in the section on the Consolidated Financial Statements. This value does not represent the current market value nor the discounted value of these stock options and shares, nor does it represent the actual amount that may be paid out at exercise of these stock options, if they are exercised, or at vesting of these performance shares, if they are vested.*

2

Table 2

Breakdown of the Chief Executive Officer's remuneration

	Amounts in respect of 2012		Amounts in respect of 2013	
Thierry de La Tour d'Artaise - Chairman and Chief Executive Officer	Due	Paid	Due	Paid
Fixed remuneration	€850,000	€850,000	€850,000	€850,000
Variable component	€800,000	€948,600	€914,600	€800,000
Exceptional remuneration	none	none	none	none
Directors' fees	€24,000	€24,000	€24,000	€24,000
Benefits in kind: - Car allowance	€7,524	€7,524	€7,524	€7,524
- Accommodation	€15,200	€15,200	€15,200	€15,200
TOTAL	**€1,696,724**	**€1,845,324**	**€1,811,324**	**€1,696,724**

Table 3

Attendance fees and other remuneration received by members of the Board of Directors excluding the Chairman and CEO

Board members	Attendance fees paid in 2012	Attendance fees paid in 2013
Tristan Boiteux	€24,000	€24,000
Damarys Braida	€24,000	€24,000
Norbert Dentressangle	€34,000	€34,000
Hubert Fèvre	€34,000	€34,000
Jacques Gairard	€24,000	€24,000
FÉDÉRACTIVE (Pascal Girardot)	€34,000	€34,000
Jean-Noël Labroue	€39,000	€39,000
Philippe Lenain	€49,000	€49,000
Cédric Lescure	€24,000	€24,000
Frédéric Lescure	€24,000	€24,000
FFP (Christian Peugeot)	€24,000	€24,000
Jean-Dominique Senard	€24,000	€24,000
VENELLE INVESTISSEMENT (Olivier Roclore)	€34,000	€34,000
Jérôme Wittlin	€34,000	€34,000
TOTAL	**€450,000**	**€450,000**

Table 4

No options were allocated in 2013.

Stock option allocation for share subscription or purchase to the Chief Executive Officer in 2013

	Date of the plan	Type of stock option	Valuation of stock options based on the method used in the Consolidated Financial Statements	Number of stock options allocated	Exercise price	Exercise period
Thierry de La Tour d'Artaise	N/A					

Table 5

Stock options exercised by the Chief Executive Officer in 2013

	Date of the plan	Number of stock options exercised during the year	Exercise price	Year allocated
Thierry de La Tour d'Artaise	16/06/2006	65,012	29.33	2006
	20/04/2007	50,000	44.00	2007
	12/06/2009	45,000	28.05	2009

Table 6

Performance shares allocated to the Chief Executive Officer in 2013

	Date of the plan	Number of shares granted	Share valuation	Vesting date	Availability date	Performance conditions
Thierry de La Tour d'Artaise	23/07/2013	18,000	50.42	23/07/2016	23/07/2018	Achievement of sales and ORA targets

Table 7

No performance shares became available in 2013.

Performance shares available during 2013 for the Chief Executive Officer

	Date of the plan	Number of available shares	Vesting conditions
Thierry de La Tour d'Artaise	N/A		

Table 8

History of stock option allocation for share subscription or purchase to the Chief Executive Officer

At 31 December 2013	Subscription plan	To purchase existing shares	To purchase existing shares	To purchase existing shares	To purchase existing shares	To purchase existing shares
Date of AGM	04/05/2000	03/05/1999	14/05/2002	14/05/2002	06/05/2004	06/05/2004
Date of Board of Directors' Meeting	14/05/2001	19/04/2002	17/10/2002	18/06/2003	18/06/2004	08/04/2005
Total number of shares allocated	493,500	417,450	598,125	612,150	539,100	554,700
of which to corporate officer T. de La Tour d'Artaise [(a)]	66,000	49,500	6,600	115,516	104,989	105,000
Stock option exercise start date	14/06/2015	19/04/2006	17/10/2006	18/06/2007	18/06/2008	08/04/2009
Expiry date	14/06/2009	19/04/2010	17/10/2010	18/06/2011	18/06/2012	08/04/2013
Subscription or purchase price *(in €)* [(a)]	18.18	27.88	25.15	24.24	31.67	28
Average of last 20 prices prior to Board Meeting *(in €)* [(a)]	17.95	27.78	26.65	24.03	31.52	28.2
Number of stock options exercised [(a)]	66,000	49,500	6,600	115,516	104,989	105,000
Number of stock options cancelled [(a)]	0	0	0	0	0	0
Balance of stock options remaining to be exercised at 31/12/2013 [(a)]	0	0	0	0	0	0

At 31 December 2013	To purchase existing shares	To purchase existing shares	To purchase existing shares	To purchase existing shares	To purchase existing shares	To purchase existing shares
Date of AGM	11/05/2006	11/05/2006	13/05/2008	13/05/2009	12/05/2010	10/05/2012
Date of Board of Directors' Meeting	16/06/2006	20/04/2007	13/05/2008	12/06/2009	18/06/2010	15/06/2012
Total number of shares allocated	589,798	579,150	1,005,900	371,300	412,592	408,925
of which to corporate officer T. de La Tour d'Artaise [(a)]	105,012	105,000	105,000	71,250	59,942	54,000
Stock option exercise start date	16/06/2010	20/04/2011	13/05/2012	12/06/2013	18/06/2014	15/06/2016
Expiry date	16/06/2014	20/04/2015	13/05/2016	12/06/2017	18/06/2018	15/06/2020
Subscription or purchase price *(in €)* [(a)]	29.33	44	38.35	28.05	53.86	54.12
Average of last 20 prices prior to Board Meeting *(in €)* [(a)]	29.01	43.73	38.35	28.05	53.85	54.12
Number of stock options exercised [(a)]	105,012	50,000	0	45,000	0	0
Number of stock options cancelled [(a)]	0	0	0	0	0	0
Balance of stock options remaining to be exercised at 31/12/2013	0	55,000	105,000	26,250	59,942	54,000

(a) Takes into account the bonus allocation of shares in March 2004 (one for ten) and the three-way split on 16 June 2008.

Table 9

History of performance share allocation to the Chief Executive Officer

At 31 December 2013				
Date of AGM	13/05/2009	12/05/2010	10/05/2012	14/05/2013
Date of Board of Directors' Meeting	12/06/2009	18/06/2010	15/06/2012	23/07/2013
Number of shares allocated:	50,472	58,363	63,938	233,475
of which to corporate officer	5,938	4,995	4,500	18,000
Performance conditions	Sales and ORA	Sales and ORA	Sales and ORA	Sales and ORA
Allocation date	12/06/2009	18/06/2010	15/06/2012	23/07/2013
Vesting date	12/06/2011	18/06/2012	15/06/2014	23/07/2015
Number of vested shares acquired by the corporate officer	5,938	4,395	0	0
Expiry of lock-up period	12/06/2013	18/06/2014	15/06/2016	23/07/2017
Number of cancelled or lapsed shares	0	600	0	0
Balance of shares remaining to be granted	0	0	0	0

Table 10

General information about the Chief Executive Officer

	Employment contract		Complementary pension scheme		Indemnities or benefits due or likely to be due subsequent to the termination or modification of functions		Allowance concerning no compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Thierry de La Tour d'Artaise	suspended *		X		X			X

* *On 17 February 2012, in accordance with the AFEP-MEDEF Code, the Board of Directors reviewed the situation and agreed that the employment contract of Thierry de La Tour d'Artaise should remain suspended due to his age, his personal situation and his seniority within the Group.*

Say On Pay - Consultation with shareholders on the remuneration of executive officers

As recommended by the AFEP-MEDEF Code updated in June 2013, which the company applies, shareholders will be asked to express a view at the general meeting on 15 May 2014 about the following elements of the remuneration due or awarded in respect of the year to the Chairman and CEO Thierry de La Tour d'Artaise:

- fixed component;
- annual variable component and, if applicable, multiyear variable component;
- any exceptional remuneration;
- stock options, performance shares and any other long-term remuneration;
- termination benefits;
- complementary pension scheme;
- benefits in kind.

All the regulated agreements listed below have been approved by previous general meetings.

REMUNERATION ITEMS SUBMITTED FOR THE APPROVAL OF SHAREHOLDERS

Remuneration due or allocated in respect of the year ended 31/12/2013

	Amounts or carrying amount submitted for approval	Presentation
Fixed remuneration	€850,000	Gross fixed remuneration of €850,000 in respect of 2013 decided by the Board on 22 February 2013 at the recommendation of the Nominations and Remuneration Committee. This amount is unchanged since 2011.
Annual variable remuneration	€914,600	60% depends on meeting quantitative targets for Groupe SEB, based on sales and operating result from activity. 40% depends on qualitative assessment of individual performance, which is evaluated by the Nominations and Remuneration Committee based on specific strategic objectives. The amount of variable remuneration is calculated from the annual fixed remuneration in the year under review. The quantitative and qualitative performance criteria are defined by the Board of Directors at the beginning of the year in line with the Group's strategic priorities. For 2013, the qualitative criteria used are: the progress of the Group's organisation, management of the company in a highly uncertain year, the relaunch in China and the supervision of recent acquisitions, particularly in India. These annual objectives are discussed and then proposed by the Nominations and Remuneration Committee, before being confirmed by the Board of Directors. At its meeting of 25 February 2014, the Board of Directors, at the recommendation of the Nominations and Remuneration Committee, evaluated the amount of variable remuneration to be paid to Thierry de La Tour d'Artaise in respect of 2013. The degree to which the objectives were met was established rigorously and precisely but not published as revealing the details of how performance was being assessed, particularly to competitors, was considered liable to imperil the strategy's success. Given the quantitative and qualitative objectives set by the Board on 22 February 2013 and the performance at 25 February 2014, Thierry de La Tour d'Artaise's variable remuneration for 2013 was calculated at 107.6% of fixed remuneration or €914,600.
Deferred variable remuneration	N/A	N/A Thierry de La Tour d'Artaise receives no deferred variable remuneration.
Multiyear variable remuneration	N/A	N/A Thierry de La Tour d'Artaise receives no multiyear variable remuneration.
Exceptional remuneration	N/A	N/A Thierry de La Tour d'Artaise receives no exceptional variable remuneration.

Remuneration due or allocated in respect of the year ended 31/12/2013

	Amounts or carrying amount submitted for approval	Presentation
Stock options, performance shares and any other long-term remuneration,	Carrying amount of performance shares allocated in respect of 2013 = €907,560	In accordance with the authorisation granted by resolution 11 of the general meeting of 14 May 2013, the Board, at its meeting held 23 July 2013, decided to award 18,000 performance shares to Thierry de La Tour d'Artaise in respect of 2013. The Board of Directors decided that all performance shares allocated to Thierry de La Tour d'Artaise would be subject to performance targets linked to sales growth and operating result from activity. The performance calculation depends of the degree to which the targets for sales and operating results from activity are realised during the three-year lock-up period (2013, 2014 and 2015). If at least 100% of the targets for sales and operating result from activity is achieved, all performance shares will be granted. If 50% to 100% of the targets for sales and operating result from activity is achieved, stock options and performance shares will be granted on a proportional basis. If less than 50% of the targets is achieved, no performance shares will be granted. In addition, shares originating from the exercise of stock options and free shares allocated to Thierry de La Tour d'Artaise will be subject to an obligation to hold them in his name for the duration of occupancy of his post, in the following amounts: • for shares originating from exercised stock options, a quantity of shares corresponding to 50% of the net gain on acquisition, net of tax and statutory deductions and transaction fees, realised at the time of exercise of the options; • for performance shares, a quantity of shares corresponding to 50% of the net gain on acquisition, net of tax, statutory deductions and transaction fees. These amounts will be reduced to 20% of the net gain as soon as the number of shares held by Thierry de La Tour d'Artaise reaches the equivalent of two years of remuneration. The award of performance shares has no dilutive effect on earnings as all shares granted are existing shares bought back by the Group. The 18,000 shares granted to Thierry de La Tour d'Artaise under the 2013 performance share plan equate to 0.0359% of the share capital. In addition, shares originating from the exercise of stock options and free shares allocated to Thierry de La Tour d'Artaise will be subject to an obligation to hold them in his name for the duration of occupancy of his post, in the following amounts: • for shares originating from exercised stock options, a quantity of shares corresponding to 50% of the net gain on acquisition, net of tax and statutory deductions and transaction fees, realised at the time of exercise of the options; • for shares allocated free of charge, a quantity of shares corresponding to 50% of the net gain after taxes, statutory deductions and costs. These amounts will be reduced to 20% of the net gain as soon as the number of shares held by Thierry de La Tour d'Artaise reaches the equivalent of two years of remuneration. The Company requires that top management formally undertake not to hedge their risk on the options or shares arising from the exercise of options or performance shares until the end of the lock-up period set by the Board of Directors.
Retirement lump-sum payment	None	Due to his seniority and in accordance with the Metallurgical industry collective agreement, the total retirement lump-sum payment entitlement of Thierry de La Tour d'Artaise amounts to €284,378
Directors' fees	€24,000	Like all other SEB SA Board members, in accordance with the procedures defined by the Board, Thierry de La Tour D'Artaise received €24,000 by virtue of his position as Board member in respect of 2013.
Value of benefits in kind	€22,724	Car allowance conferring benefits of €7,524 and a €15,200 allowance for the use of accommodation in Paris.

Remuneration items due or allocated in respect of 2013 which were voted on at the general meeting under the procedure for regulated agreements and commitments

	Amounts submitted for approval	Presentation
Severance allowance	None	In the event of termination of his employment contract at Groupe SEB's initiative, except as a result of gross negligence or serious misconduct, or forced departure following a change of control of Groupe SEB, Thierry de La Tour d'Artaise will be eligible for a total termination benefit capped at two years fixed and variable remuneration and variable based on the degree of achievement of objectives for the previous four years: • if average actual performance falls short of the targets by 50% or more, no termination benefit will be paid; • if average actual performance represents 50% to 100% of the targets, between 75% and 100% of the termination benefit will be paid; • if average actual performance exceeds the targets, the termination benefit will be paid in full. The Board of Directors retains the right to reduce such termination benefits, by a maximum of one-half, if the previous year-end presents a net loss, without such benefits falling below the fixed salary plus bonuses of the previous year-end, should application of the performance criteria based on the achievement of objectives entitle the payment of termination benefits. In accordance with the procedure for regulated agreements and commitments, this commitment was initially approved by shareholders at the general meeting of 13 May 2007 (resolution 4), and again at the general meeting of 10 May 2012 (resolution 8).
Non-compete payments	N/A	Thierry de La Tour d'Artaise has no non-compete clause.
Complementary pension scheme	None	Thierry de La Tour d'Artaise is a member of the top-hat pension scheme set up for French members of Groupe SEB Executive and Management Committees. The scheme is additional to the statutory schemes and functions as follows: • a defined benefit deferred compensation plan, under which beneficiaries are subject to seniority conditions and the benefits are only payable if the executive is still a member of the Group when he retires. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated as the average of the target remuneration for the executive's final three years of service with the Group; • a defined benefit supplementary pension plan, under which beneficiaries are also subject to seniority conditions and the benefits are only payable if the executive is still a member of the Group when he retires. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated as the average of the target remuneration for the executive's final three years with the Group. The number of years for which entitlements may accrue under this plan has been capped at 20, i.e. a maximum 16% of the reference remuneration. Pensions earned under the defined contribution plan are deducted from this supplementary pension. Contributions to this collective scheme are set at 8% of salary capped at 8% of the annual social security ceiling, which was €23,700 in 2013. Groupe SEB top management become potentially eligible for the supplementary pension scheme after eight years' seniority on the Executive Committee or Management Committee of Groupe SEB. The aggregate benefits payable under both the top-hat scheme and the applicable statutory schemes are capped at 41% of the reference remuneration. As a result, the supplementary pension scheme for French top management (including the Chairman and CEO) complies with AFEP-MEDEF recommendations as updated in June 2013: • seniority required: minimum eight years on the Executive Committee or Management Committee; • rate of progression: acquisition based on seniority up to a maximum of 3.925% annually and capped after 20 years' seniority; • reference period: average of last three years' remuneration; • maximum of 41% including benefits from mandatory schemes. Furthermore, the Board of Directors' Meeting of 19 March 2010 decided, in addition to the above rules, to limit the reference remuneration used as the calculation basis to 36 times the annual Social Security ceiling in force on the retirement date. This means that the corporate officer will be eligible for a gross compensation replacement rate (including the benefits of statutory retirement plans) of 32% of the reference remuneration at the legal retirement age. The supplementary and top-up plan expenses relating to Mr Thierry de La Tour d'Artaise and recorded in the financial statements of SEB S.A. for the year ended 31 December 2013 total €558,109. In accordance with the procedure for regulated agreements and commitments, this commitment was approved by shareholders at the general meeting of 13 May 2008 (resolution 4). The capping of the reference salary was approved by shareholders at the general meeting held 12 May 2010 (resolution 4).
Individual life insurance policy	None	In addition to the Group death, disability and related benefit insurance plan, Mr Thierry de La Tour d'Artaise is the beneficiary of an individual life insurance policy with a capital totalling €3,633,671. The expense recorded over the year ended 31 December 2013 totals €48,741. In accordance with the procedure for regulated agreements and commitments, this commitment was approved by shareholders at the general meeting of 12 May 2010 (resolution 4).

Share transactions carried out by SEB management during 2013 (Article L. 621-18-2 of the French Monetary and Financial Code)

Identity	Function	Number of shares bought or subscribed	Average acquisition price	Number of shares sold	Average sale price
People linked to Damary Braida	Director	2,010	52.2238 €		
Sarah Chauleur	Director	77	61.7981 €		
Yseulys Costes	Director	750	65.8903 €		
Thierry de La Tour d'Artaise	Chief Executive Officer	160,012	33.5541 €		
Hubert Fèvre	Director			114,992	60.1823 €
Jacques Gairard	Director			1,000	62.0000 €
People linked to Jacques Gairard	Director			8,000	65.1897 €
Jean-Noël Labroue	Director	450	57.7200 €		
Stéphane Laflèche	Member of the Executive Commitee	21,598	28.0500 €	20,784	59.8513 €
Vincent Léonard	Member of the Executive Commitee	100	66.8800 €		
Harry Touret	Member of the Executive Commitee	30,000	44.0000 €		
People linked to VENELLE INVESTISSEMENT	Director	5,787	65.6152 €		
Frédéric Verwaerde	Member of the Executive Commitee	51,598	34.0386 €	50,753	61.4569 €

2.5. CHAIRMAN'S REPORT ON INTERNAL CONTROL

In accordance with Article 117 of the French Financial Securities Act of 1 August 2003, and the provisions of Article L. 225-37 of the French Commercial Code, as amended on 3 July 2008 (law no. 2008-649), the object of this report is to describe the organisation of the work of the Board of Directors, and the internal control procedures adopted by Groupe SEB for the year ended 31 December 2013.

This report, drawn up under the supervision of the Chairman, is essentially based on the coordinated work of the Group Audit and Organisation department, in liaison with the Finance department and the main corporate support functions and operational management. It also takes account of consultations with the Audit Committee and the Statutory auditors.

This report was approved by the Board of Directors on 25 February 2014.

In order to implement and improve upon its internal control processes, Groupe SEB aims to comply with the AMF guidelines on risk management and internal control.

Group internal control environment

In the course of its operations and in pursuit of its business strategy, Groupe SEB is exposed to a number of risks and unknown factors, both internal and external. To cope with this situation, it has set up an organisation and procedures aimed at identifying, quantifying, anticipating and managing these risks as much as possible, in order to reduce their negative impact and thus to help to achieve the company's operational and strategic goals.

The internal control system is a process defined and implemented by the Group under its own responsibility to ensure:

- compliance with laws and regulations;
- application of instructions and guidelines, and compliance with the Group's internal practices;
- the proper functioning of the Group's internal processes, particularly those that contribute to protecting its assets;
- the quality, integrity and relevance of its internal and external information, particularly financial disclosures;
- organisational adaptation to changes in standards and regulations;
- consistency between identified risks, objectives and expected benefits;
- reduced exposure to risks of fraudulent behaviour;
- prevention, and, if necessary, punishment of unethical conduct.

As with any control system, it cannot provide an absolute guarantee that all risks are totally eliminated.

Groupe SEB is an international entity, whose organisation is firstly divided into geographical zones for continents, each with their own ranges of products to sell. In addition, operations are organised by activity, covering specific product lines and trademarks. This mode of operating depends on decentralisation of operational responsibilities and extensive delegation. But at the same time, to guarantee efficient overall management, Groupe SEB applies clearly-defined operational and delegation rules. It also benefits from a well-established corporate culture which is rooted in shared fundamental values that foster an ethical working environment: high-quality work, mutual respect, team spirit, loyalty and thoroughness.

The internal audit system is based on a structured Quality Management System defining 11 key functional areas which integrate the demands and requirements of sustainable development.

A signatory of the Global Compact since 2003, Groupe SEB supports the values set out in this document and promotes them throughout the company. The Group Human Resources department states in its guiding principles that: "The Group is a community of men and women who share the same objectives and values".

The code of ethics, published in September 2012 serves as the frame of reference for Groupe SEB's values and standards. It defines individual and collective rules of conduct to guide the actions and inspire the decisions of each employee. It is supplemented by a whistle-blowing system that allows any employee to report a serious violation of the code of ethics.

Risk management

The risk analysis process is based on two key procedures:

- an annual "top-down" review and analysis of the main risks. In 2013, the members of the Group Executive Committee, the Director of Legal Affairs, the Director of IT Systems, the Director of Quality, the President in charge of Innovation, the President in charge of Strategy, the Presidents of the three core business units and the Presidents of the seven continents were interviewed individually to identify and analyse the top ten risks to which Groupe SEB is or could be exposed. Each risk was evaluated in terms of probability and impact, and actions to mitigate each risk were identified. This resulted in the annual map of risks faced by Groupe SEB;
- a "bottom-up" process involving self-assessment questionnaires, based on processes. These are sent out to each operational entity and are designed to identify possible weak points and encourage the practice of internal control at all levels, with a view to making Group operations more efficient.

Control activities

The integrity of the internal control function is assured by an internal control manual, detailing the main internal control guidelines for each Group structure:

- use of a delegation manual and definition of power limits;
- internal control rules governing commercial operations, the management of customer credit and settlement methods, relations with banking institutions, payroll management, purchasing control, financial asset management and the protection of corporate property and assets;
- compliance with rules governing division of responsibilities;
- policies applying to insurance cover and hedging;
- financial reporting audit principles.

Reporting and communication procedures

In 2013, all recently appointed Presidents were trained in internal control with special emphasis on their particular role in the internal control system.

In 2013, around ten alerts were passed to the Corporate Communications department, in charge of the crisis management process. However, the full process was only activated once.

The process for identifying attempted fraud was activated half a dozen times, and only one significant fraud, coming from outside the Group, was formally identified. Lastly, the corporate ethics alert process was activated just once. As in previous years, based on circumstances that arose, the Audit Department put out alerts to the subsidiary network warning of potential frauds and raising awareness of these situations.

Assessment of the internal control process

The quality of the internal control process is assessed through Internal Audit assignments in all Group entities and functions, and by the Statutory auditors during their annual and half-yearly audits.

In 2013, the Internal Audit department carried out assignments at 14 market companies representing 22% of the Group's sales, and at six plants, representing 10% of the Group's internal production, and it carried out four consulting assignments to improve different organisations and processes. In retailing, 14 stores were audited in seven countries. Imusa USA underwent the first audit to assess the quality and organisation of its internal control processes in 2013.

Internal control participants

THE BOARD OF DIRECTORS, THE AUDIT COMMITTEE AND THE NOMINATIONS AND REMUNERATION COMMITTEE

The role of these bodies is described in the "Organisation and Operation of the Board of Directors" section, pages 29, 30, 31 and 32.

GROUP EXECUTIVE COMMITTEE AND GROUP MANAGEMENT BOARD

Their role is described in the "Group Management Bodies" section, page 33.

INTERNAL AUDIT DEPARTMENT

Internal audit, as defined by professional standards, consists of "an independent and objective process which ensures that the Group has adequate control of its operations and which offers advice on improving the latter while contributing to added value. The internal audit function helps the Group to achieve its objectives by systematically and methodically evaluating its risk management, control and corporate governance procedures, and through recommendations for their improvement".

The role of the Groupe SEB Internal Audit department is fully consistent with this approach.

The Internal Audit department is responsible for evaluating, at all locations where the Group is established and for all functions, compliance with Group Internal Rules and procedures and any non-compliance with legislation, and for ensuring that Group assets are protected. It is also required to evaluate the efficient conduct of operations and to ensure that all business risks are anticipated and controlled.

In the area of risk management, the Internal Audit department draws up a map of high-level risks.

Based on this map, on the self-assessment questionnaires and on the principle of an audit in each entity every three or four years, the Audit department proposes an internal audit plan for the following year.

This plan is submitted to the Audit Committee.

Each internal audit, which generally lasts about a month and is carried out by a team of two to four Auditors, results in an audit report that is sent to the audited structures, their management structure, members of the Group Executive Committee and to the Group Chairman. The report contains the Auditor's opinions regarding the entity's level of internal control and provides the principal recommendations to be implemented to strengthen the entity's internal control system.

Steps are then taken by operational management to remedy identified shortcomings in internal control, and to make any other necessary improvements. The implementation of resulting action plans is subjected to a systematic internal audit review within six months of the audit.

The results of these audits are compared with the results of the self-assessments, thus completing the full circle of the internal control process.

In order to ensure continuous improvement of internal control and Company efficiency, the main recommendations identified during audits for each business line are shared annually with the management teams of the Group's main divisions: Purchasing, IT, Quality, Finance, Human Resources, Supply Chain, Production, After-sales Service and Marketing.

The Internal Audit department draws up an annual report of work done, which is presented to the Group Executive Committee and the Audit Committee.

The Audit Committee reviews the resources needed by the Internal Audit department to carry out its work effectively, and makes observations or recommendations as required.

As at 31 December 2013, the Internal Audit department comprised ten employees.

THE LEGAL AND INSURANCE DEPARTMENT

The role of the Group Legal department is to ensure that the Group complies with legal and regulatory requirements wherever it operates, to protect the Group's assets and businesses and to defend the interests of the Group, its management and employees in carrying out their functions. The Legal department is concerned with three main areas of internal control:

- participation in the implementation of the integration process within Groupe SEB for legal entities newly acquired by Groupe SEB;
- it drafts and updates model contracts and their related procedures for the most frequently recurring transactions (purchases of goods and services, conditions of sale, advertising campaigns, product damage claims, etc.);
- it makes recommendations to the Group Executive Committee on rules for delegating authority, and on the circulation and protection of confidential information, and it applies and monitors these rules;
- it selects external legal advisers, monitors their services and performance and oversees invoicing follow-up in liaison with the Management Control department;
- involvement in activating crisis units (fraud, competition inquiries).

The role of the Legal department in the area of insurance is to ensure that there is adequate insurance cover of the risks to which the Group is exposed. Groupe SEB insurance cover is managed on a worldwide consolidated basis. Worldwide insurance cover is arranged in partnership with leading insurance pools; additional specific policies can be subscribed to locally.

THE FINANCE, TREASURY AND TAX DEPARTMENT

The role of this department is to ensure the security, transparency and efficiency of treasury and financial transactions, and to ensure compliance with regulations and tax obligations in all the countries where the Group is based.

Its responsibilities in this area cover:

- financial resource management, in consultation with the Executive Vice-president of Finance, to ensure the Group's liquidity;
- cash flow management;
- financial risk assessment and hedging (particularly in the areas of foreign exchange, interest and raw material prices);
- on-going relations with banks;
- financial management support for subsidiaries, and support for the Group's General Management, in financial planning for new projects.

This department has a triple responsibility in the area of internal control:

- monitoring tax inspections carried out by tax authorities in all of the Group's entities;
- ensuring consistency in the tax procedures used by the Group's entities and in liaison with tax consultants, verifying the compliance of the Group's main activities with current legislation;
- selecting tax consultants and monitoring the services provided along with their cost.

Given the still volatile economic situation in 2013, the Credit Management department continued to manage client risk on a worldwide level.

THE GROUP ACCOUNTING DEPARTMENT

This department is responsible for ensuring that the Group's accounting principles and standards are compliant with international commonly-accepted accounting standards. It closes the Group's accounts, in collaboration with the entities, in a timely manner. It makes sure that the accounting done by the subsidiaries is reliable and in compliance with the Group's accounting principles. It provides the Group's management and outside partners with pertinent financial information.

The Group Accounting department oversees and coordinates the shared Corporate Services Centres for Accounting and Management Services. These entities, in France, Poland, Germany, the United States and China, help improve the Group's internal control system by sharing their procedures and tools.

THE GROUP MANAGEMENT CONTROL DEPARTMENT

The Group Executive Committee attaches great importance to the Group's planning procedures. These prepare the ground for the annual budget, which makes it possible to define the Group's strategic priorities and draw up operational plans.

The Management Control department is responsible for issuing appropriate directives and guidelines to help those involved in drawing up the budget.

It coordinates budget planning and control, using a handbook of management procedures and rules applicable to all entities, including Group budgeting, forecasting and management reporting methods.

The monthly management reporting system uses a consolidation management tool for calculating the Group results. At least twice a year a comprehensive forecast is drawn up based on a budgetary matrix of the Group's performance. Improvement plans are developed, if necessary, based on this outlook.

Physical or financial controls make it possible to verify balance sheet items such as components of the working capital requirement and cash position.

These various aggregates are budgeted at the end of the year and monitored monthly.

The Management Control department draws up a monthly Group budget forecast chart and distributes this, with an analysis of significant variances and trends based on the information provided by the Group's entities in their monthly business reports.

The department operates with specialised accounting and management software that allows efficient operational and strategic monitoring.

The Management Control department works with the Financial Communications department to review the Group's performance.

THE INFORMATION SYSTEMS DEPARTMENT

The Group's IT system is designed to guarantee the security, integrity, availability and traceability of information.

To ensure the proper use of these tools and the utility of data, an operating manual adapted to the needs of users has been drawn up.

The Group has also introduced procedures to ensure the security of its information systems and the integrity of its electronic data.

An Information Systems Steering Committee is responsible for drawing up an IT master plan which corresponds to the Group's organisational needs and general development policy. This Committee, chaired by the Executive Vice-president, Industry, comprises the Information Systems department and representatives of user entities (including Continental General Management, Strategic Business Areas Management, the Group Finance department and the Human Resources department). Within this framework, it determines the nature of IT system projects and decides on priorities for resource allocation and IT security policies.

The IT Data Security Committee, of which the Audit department is part, meets regularly to ensure that the level of IT risk within the Group and its subsidiaries is adequately managed and that appropriate informational and sensitisation measures are taken to prevent the risk of piracy of our systems.

Internal audit missions now include more detailed scrutiny of IT security risk areas, user profile management and the risk of incompatibility in system access rights within an enterprise function.

The risk of intrusion into the network or into a centralised application is periodically evaluated and tested.

Data security audits were also conducted in some supplier companies.

THE QUALITY DEPARTMENT

The desire to improve the quality of its products and processes has always been a central concern of Groupe SEB.

The Group uses a Quality Management System (QMS) with Group-wide standards that are posted on the company's intranet.

Documentation for this system includes reference to all procedures, tools and methods relating to the Group's key processes:

- management procedures, definition of Group policy, strategic planning, constant improvement in quality, and safeguarding the environment;
- operational processes including strategic marketing, R&D, sales and marketing, client order processing and production transfers;
- operational support functions, covering human resources, information systems, purchasing, finance, after-sales service and customer assistance.

The Quality department uses monthly feedback reporting to fine-tune its action plans, which are then submitted to the Group Executive Committee.

The Safety policy, which is also overseen by the Quality Department and was set out in 2013, establishes the safety of people at work as a major area of focus for the Group, broken down in 5 points:

- reaching a good level of safety;
- focusing on an ambitious goal;
- denormalising each accident or serious incident;
- sharing the same level of skills and requirements, based on common standards;
- acting promptly upon any recorded non-compliance to address it.

The action plans stemming from this policy are established and monitored by a «Strategic health/safety committee» comprising 3 GEC members, and adjusted by an «Operational health/safety committee» covering the Group's main geographic areas and businesses.

The health and safety organisation within the Quality Department ensures these actions plans are deployed across Group sites.

THE SUSTAINABLE DEVELOPMENT DEPARTMENT

This department submits the Group Sustainable Development Policy to the Group Executive Committee for approval and then coordinates its implementation. It draws up and implements formal action plans for all of the Group's divisions, relying on a Sustainable Development Steering Committee with representatives from the Group's 15 main divisions. By applying sustainable development criteria to the Group's internal processes, the Group promotes awareness-raising and encourages appropriate behaviour within the Group.

THE FINANCIAL COMMUNICATIONS DEPARTMENT

Each year, this department draws up a schedule of the Group's regular financial communications for financial markets and institutional investors. It identifies, in collaboration with the Legal department, legal and regulatory requirements for publication of Group financial notices.

Accounting and financial information procedures

Internal control procedures for accounting and financial information aim to ensure the quality of the financial information provided by the consolidated subsidiaries, and the fairness and accuracy of the financial information issued by the Group, while safeguarding against risks of error, inaccuracy or omission in the Group's financial statements.

CENTRALISED TREASURY AND FINANCE OPERATIONS

Local regulations permitting, the Group Finance department ensures the financing of its subsidiaries via cash pooling, inter-company financing contracts and the use of currency flows for payments and receipts.

This centralisation of operations allows the Finance department to:

- control external debt and monitor its development;
- manage the interest rate risks inherent in contracted debt;
- finance its subsidiaries in their local currency where regulations permit;
- anticipate and manage currency risk inherent in commercial and financial flows.

Another important element of internal control is the Group's centralised choice of working-partner banks and effective long-term management of these relations.

This organisation enables the Finance department to ensure overall control of the Group's treasury operations.

CONSOLIDATED ACCOUNTS MANAGEMENT AND CONTROL

We have already described the role of Group Management Control in overseeing monthly consolidated financial management information.

Budgetary control identifies deviations from performance targets, on the basis of monthly consolidated data which is compared to an analysis of Group operational directives. This makes it possible to identify any changes or discrepancies in relation to financial budget data and previous years.

This decentralised statutory consolidation includes all the companies in the Group that are directly or indirectly controlled by the Group's holding company, SEB S.A.

Each consolidated subsidiary prepares a set of accounts, restated to comply with the Group's accounting procedures and based on accounting data from local information systems. All the Group's entities apply IFRS accounting standards.

The Finance Managers of the subsidiaries prepare the restated accounts on the basis of the Group's accounting procedures handbook, which sets out rules for accounting entries and evaluation.

This handbook describes the principles used to draw up financial statements. The principles cover areas such as preparation of accounts on the assumption of operational continuity, compliance with accounting periods, and ensuring the integrity of the information in the financial statements. It is regularly updated to integrate changes in legislation and regulations governing the preparation of consolidated accounts in France.

The accounting procedures handbook also gives a precise description of the principles used by the Group for accounting entries, and evaluation and presentation of the main items in the financial statements:

- descriptions of constituent items of the consolidated income statement with their definitions, as well as consistency tests for the purpose of taxation;
- rules governing balance sheet and off-balance sheet items and their presentation;
- regulations concerning the valuation of certain estimated items, such as:
  - provisions for the impairment of receivables,
  - provisions for the impairment of raw material and finished product inventories,
  - provisions for the impairment of non-current assets,
  - provisions relating to sales (e.g. warranties and unsold returns),
  - other provisions for contingencies and charges, and in particular, provisions for restructuring;
- accounting principles applied to reporting intra-Group transactions.

Prior to each consolidation period, the Group Consolidation department issues a reminder of the reporting deadline and indicates any newly-applicable changes in standards, rules and principles.

On receiving the sets of accounts for consolidation, the Group Consolidation department conducts the usual verifications before carrying out the actual consolidation. This review of the accounts submitted is an opportunity to verify the evaluation and accounting methods used for large, unusual or exceptional transactions.

To ensure the integrity of the financial data received from the subsidiaries, the Group Consolidation department refers to the covering letter sent in by the management of each subsidiary (whether or not consolidated), at the time of closure of the half-yearly and annual accounts. In this covering letter, the official representative and the Finance Director of the entity concerned jointly certify the compliance of the financial statements with the Group's accounting rules and principles, the effectiveness of the internal control procedures used to process and draw up the financial statements and the absence of irregularities involving personnel or management. In addition, they comment on any significant events occurring during the accounting period under review and describe all elements which, in themselves or in their overall effect, influence the comprehension and evaluation of the financial statements of the entity concerned.

FINANCIAL COMMUNICATION

The Group's financial statements, accounts and notes to the accounts are drawn up on the basis of the final data processed by the consolidation software. These are then integrated into the annual or half-year reports.

The texts of all the Group's financial publications (annual and half-year reports, letters to shareholders, shareholder guide, etc.) are drawn up by reference to information gathered throughout the year and specific interviews conducted at least twice a year (or more frequently as dictated by current concerns or special issues) with the senior management of the SBAs, Continental Structures and Corporate Support Functions. They are validated by the latter and by the Group Executive Committee.

2.6. STATUTORY AUDITORS' REPORT

prepared in accordance with Article L. 225-235 of the French Commercial Code (*Code de Commerce*), on the report prepared by the Chairman of the Board of Directors of SEB S.A.

YEAR ENDED 31 DECEMBER 2013

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

To the shareholders,

In our capacity as Statutory auditors of SEB S.A., and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of your Company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the year ended 31 December 2013.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval, a report describing the internal control and risk management procedures implemented by the company and providing the other information required by Article L. 225-37 of the French Commercial Code, in particular relating to corporate governance.

It is our responsibility:

- to report to you on the information set out in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information; and
- to attest that the report sets out the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this information.

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

Information concerning the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Professional standards require that we perform procedures to assess the fairness of the information on internal control and risk management procedures relating to the preparation and processing of financial and accounting information set out in the Chairman's report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information on which the information presented in the Chairman's report is based, and of the existing documentation;
- obtaining an understanding of the work performed to support the information given in the report and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information that we may have identified in the course of our work are properly described in the Chairman's report.

On the basis of our work, we have no matters to report on the information given on internal control and risk management procedures relating to the preparation and processing of financial and accounting information, set out in the Chairman of the Board's report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman's report contains the other information required by Article L. 225-37 of the French Commercial Code.

Lyon and Villeurbanne, 10 March 2014

The Statutory auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Nicolas BRUNETAUD	Gérard BADIN

3 CORPORATE SOCIAL RESPONSIBILITY

3.1. CHALLENGES OF GROUPE SEB

For several years, Groupe SEB has been committed to an approach that strives to be ethical, economically profitable, socially fair and ecologically responsible. The Sustainable Development department, created in 2004, reports to the Human Resources department whose head is a member of the Executive Committee. It has a membership of six, including two people assigned to the Groupe SEB Foundation. The Sustainable Development department coordinates and drives a collective and participative effort. As well as holding twice-yearly meetings with each division to monitor projects and action plans, it is supported by a dedicated Steering Committee. In order to instil sustainability criteria at all levels of the company and on all continents, this Steering Committee is composed of some twenty members hailing from a variety of core business areas and divisions (Communications, Quality/Environment, Innovation, Purchasing, Logistics, Marketing, etc.) and meets three times a year. Its mission is to define and monitor short- and medium-term action plans related to all of the Group's five sustainability challenges.

A three-year action plan for the top five challenges can be found on the Groupe SEB website under sustainable development. The multiplicity of international projects, including the 2012 Code of ethics, is managed locally by a network of CSR correspondents from the HR department. The five sustainability challenges (see below) were presented to all Groupe SEB managers to raise their awareness of the Group's actions in these areas. Employee awareness is raised through a dedicated section of the Group intranet and regular news updates throughout the year, as well as by activities during sustainable development week.

Enforcing ethical values

The top priority when it comes to ethics is to apply the laws in force in each country where Groupe SEB operates. Groupe SEB also adheres to the international standards set out by the UN, and particularly to the principles of the Universal Declaration of Human Rights, the core conventions of the International Labour Organisation (ILO) and the OECD's guidelines for multinational enterprises. It has also signed the UN's Global Compact and the CECED's[(1)] Code of Conduct.

Code of ethics. Over the last ten years, Groupe SEB has doubled in size, acquiring several companies, and become much more international. It now has almost 25,000 employees around the world, with more than two-thirds of its workforce located outside of Europe. Because a common culture and shared Group values are essential to the success of a responsible, ethical, global approach, Groupe SEB decided to structure and formalise its policy in the form of a Code of ethics. Translated into the Group's ten main languages, it was distributed to all employees worldwide in 2012. This document addresses 18 key areas, including Human Rights, anti-corruption, non-discrimination, environmental protection and prevention of conflicts of interest. Each of these areas was explored further through counter-examples and practical questions and answers, in training materials presented by international HR Managers to their teams. This represents almost 10,000 training hours. In particular, Groupe SEB Brazil held 97 training sessions and more than 90% of its employees have undergone awareness training on the issues addressed by the Code. In 2013, the procedure for alerting the Group's Ethics Reference Contacts, via the dedicated email address ethics@groupeseb.com was used on two occasions. Both times, investigations showed that these were classic HR management issues rather than a violation of the Code. They were dealt with by existing HR procedures. The Group's Ethics Reference Contact is the Director of Audit and Organization. Each year, he reports on the ethics alerts received and how they were dealt with to the Board of Directors' Audit Committee.

Human Rights. As a signatory of the Global Compact since 2003, the Group decided to evaluate its teams' practices in relation to Human Rights in 2007. To do this, it implemented the Human Rights Compliance Assessment (HRCA) Quick Check, a self-assessment tool developed by the Danish Institute for Human Rights, in all subsidiaries employing more than ten people. Since 2010, the CBSSC (China Business and Social Sustainability Check), a version of the HRCA Quick Check adapted for China, has been used within the sites of the Group's Chinese subsidiary Supor. Assessments are carried out approximately every two years and cover virtually 99% of employees. They were continued in 2013 at more than 80 industrial, logistics and tertiary entities worldwide. Areas for improvement reported include monitoring of suppliers and community relations, which in some cases needed improvement in the interests of transparency. The 28 main questions and 240 sub-indicators that make up these questionnaires (245 for the CBSSC) are completed by the CSR correspondents network. Respect for Human Rights forms an integral part of the Code of ethics issued in 2012 as well as the training offered in this regard to international HR Managers. No Human Rights-related claims were filed in 2013.

Internal Audit: Groupe SEB's Audit and Organization department systematically verifies compliance with ethical principles and notably Human Rights during its audits of subsidiaries. Sites that are not audited in a particular year complete a self-assessment questionnaire using a reporting software managed by the department. This covers the same audit points considered during on-site audits and includes, like the internal control manual, the rules in the Code of ethics. Both sets of guidelines are fully harmonised and ensure full consistency in the audit process.

(1) European Committee of Domestic Equipment Manufacturers.

Responsible purchasing. With more than 1,500 industrial suppliers worldwide, Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. It is only natural then that the Group has committed to a responsible purchasing policy and has implemented reporting and control systems to ensure that its suppliers comply with its labour and environmental requirements. In 2012, a number of projects was carried out to strengthen this policy, such as the outsourcing of social and environmental audits to outside firm SGS and the monitoring of chemical substances (REACH) via the EcoMundo dedicated online platform. A responsible purchasing Charter was also created, in conjunction with the Group's Code of ethics. The Charter was sent to all industrial suppliers in the panel. This Charter explains the Group's requirements from its suppliers in relation to Human Rights and ethical, social and environmental principles. In 2013, the Group added to its policy tools a social audit Charter and carried out 145 ethical, social and environmental audits of its suppliers in the panel (compared to 80 in 2012), of which 70% were carried out by SGS.

Audit. A pioneer in this regard, in 2011 Groupe SEB decided to have a selection of corporate social responsibility indicators for the 2010 financial year audited by one of its Statutory auditors, PricewaterhouseCoopers Audit. Groupe SEB has continued this voluntary commitment and in respect of 2011 and 2012 PricewaterhouseCoopers Audit issued a limited assurance report on a selection of social and environmental indicators, which was published in the Registration Document. In addition, to comply with the decree implementing Article 225 of the Grenelle 2 law (law no. 2010-788 of 12 July 2010), the audit also verified that the information required by this decree was included in 2012 data. Finally, to comply with what are now legal obligations, PricewaterhouseCoopers Audit verified the presence and sincerity of the social, societal and environmental information in the Registration Document, in respect of 2013.

Adhering to a social responsibility policy

Training. The training policy covers all Group employees and most training programmes are organised in a decentralised manner. Each year, the Human Resources department defines the Group's training priorities. Using this frame of reference, each subsidiary develops its own training plan based on the employees' needs and aspirations, as expressed during the annual evaluation. A global reporting system makes it possible to track the training provided throughout the world. Training is essential to skills development and thus represents a major focus of the Group's corporate social responsibility policy.

Diversity. In France, Groupe SEB signed the Diversity Charter in 2005. Diversity is a source of dynamism, creativity and innovation. The Group encourages it in all aspects: cultural diversity, which flows naturally from the Group's international footprint, gender equality, ethnic and social diversity, role of seniors, etc. Numerous actions have been implemented to support this policy at local sites and raise employee awareness. In 2011, a Diversity Monitoring Commission and a Diversity council, with participation from the LICRA [(1)], were thus created to promote diversity and combat all forms of discrimination. The Diversity Monitoring Commission monitors application of Diversity action plans. It met four times in 2013. The Diversity council provides mediation services and recourse to employees regarding any type of diversity or discrimination related issues that are not successfully resolved by local bodies within the Group. Regarding jobs for young people and seniors, Groupe SEB has signed a collective agreement on inter-generational contact, which is in line with its existing forward planning careers and skills management programme. The Group also promotes skill-building through work-study programmes and has set a goal to increase the number of work-study trainees within its teams (+19% in 2013 versus 2012, in France). Finally, a three-year collective agreement covering people with disabilities was signed by employee representatives in 2013.

Social dialogue. Groupe SEB is committed to respecting freedom of association everywhere in the world and encourages social dialogue at its subsidiaries, on both an individual and collective basis. This commitment was reaffirmed in the Group's Code of ethics. 135 collective agreements have been signed in 2013.

Gender equality. Groupe SEB has a non-discrimination policy to ensure that all employees are treated equally as regards their recruitment, remuneration and career paths within the Group. A proactive workplace gender equality agreement was signed by Groupe SEB in late 2011, but this merely served to formalise its social policy of fairness and accountability. Under the agreement, all the Group's French companies, irrespective of employee numbers, implemented an action plan with monitoring indicators on the issues of remuneration, promotion/classification and training. The companies undertake to continue their action on working conditions, hiring and better work-life balance. This agreement goes beyond the legal recommendations of taking action on two or three issues based on the size of the company. In 2013, 35.5% of the Group's managers were women, across all entities, compared to 20% in 2002.

Health and safety. For several years, Groupe SEB has taken steps to reduce the number of workplace accidents and limit the number of employees affected by work-related health conditions, primarily musculoskeletal disorders (MSDs). These efforts to improve occupational health and safety are a top priority, as they pertain to employees' day-to-day lives and work. Since 2007, the Group has also worked to be awarded certification for its health and safety management system in order to structure its on-site approach in a sustainable manner. At end-2013, nearly 87% of industrial and logistics entities worldwide, and 100% in France, had OHSAS (Occupational Health and Safety Assessment System) 18001 certification. The Copacabana and Rionegro (Imusa Colombia) sites were certified for the first time in 2013.

Action plans aiming to bring this figure to 100% by the end of 2015, excluding Maharaja Whiteline, have been approved. In order to further boost awareness of health and safety for all, in 2012 a Strategic Health and Safety Committee has been set up, composed of members of the Executive Committee, as well as an international Operational Committee. These efforts continued in 2013 with the international expansion of the "Safety in SEB" improvement programme and publication of a strengthened global safety policy, led by Thierry de La Tour d'Artaise.

Developing territories and community commitment

Corporate philanthropy. In the regions in which it operates, Groupe SEB acts as a responsible economic stakeholder and, in the event that a site needs to be restructured, it makes every effort to limit the impact of its decision on the employees and local life. The Group is also an active member of the community. It fosters many connections with local stakeholders and participates in public debates, such as discussions on nutrition and health. In addition to the jobs generated by the Group, it supports the development of local businesses, especially players in the non-profit and social sectors.

Its social commitment also extends to corporate philanthropy, focused on the fight to eliminate exclusion through three intervention areas: work, housing and education/training. The Group's corporate philanthropic policy, formalised in 2012 under a framework document issued to all countries, is reflected in the Groupe SEB Corporate Foundation and in the numerous local initiatives conducted by the subsidiaries. Its corporate philanthropic actions represented a total of almost €2.9 million in 2013.

Creating sustainable innovations to meet consumer needs

Nutrition and health. Today's consumers demand products that take health and safety into account. These products need to be environmentally friendly and produced in a responsible manner. Groupe SEB has taken the necessary steps to ensure strict control over all of these aspects. Each new generation of products is enhanced by innovations that embody an ever-increasing respect for people and the environment and that take health and nutritional concerns into account.

Quality and repairability. The Group also pays close attention to the quality of its products and to the relationship with its consumers. Two key objectives in the Group's policy towards consumers are improving after-sales service and encouraging product repairs over replacement. In this regard, the Group relies on a network of 6,500 licensed repair centres around the world, including 2,800 in China.

Accessibility. Lastly, the Group is also experimenting with ideas to ensure that its products are accessible to as many people as possible, including those in difficult situations or with low incomes. The Group therefore partnered with the Institut de la Vision, a leading integrated research centre for illnesses affecting vision, to develop products accessible to all, including those with impaired sight.

Reducing our environmental impact

Eco-design. Groupe SEB's eco-design policy aims to limit the environmental impact of its products throughout their entire life cycle: increasing their recyclability, prohibiting numerous unpopular substances, reducing energy use in stand-by mode, etc. The internal eco-design guide was completely revised in 2013. This new guide, intended for the Innovation teams, includes aspects related to the ability to repair and recycle, energy consumption, LCA[1], eco-packaging and recycled and/or bio-sourced materials. The Group also aims at cutting energy consumption in its new products by 20% by 2020 and including at least 20% recycled materials in their design.

Eco-production. In 2003 the Group adopted a worldwide environment management system aiming, first and foremost, to control the use of resources (water and energy) and to reduce waste and emissions. At year-end 2013, 89.5% of the Group's industrial and logistic entities worldwide were certified under the environmental standard ISO 14001. This figure includes Supor and the 2011 acquisitions. The Copacabana and Rionegro (Imusa Colombia) sites were certified for the first time in 2013. Action plans aiming to bring this figure to 100% by the end of 2015, excluding Maharaja Whiteline, have been approved. Since 2012, with a view to sharing best practices, each French industrial site has proposed an "eco-innovation" project. This initiative relaunched in 2013 will apply to international sites beginning in 2014. Groupe SEB also undertook to reduce by 20% the energy (gas, electricity, fuel-oil) consumed by its global plants between 2011 and 2020.

Eco-logistics. The transport of products, as well as the raw materials and components used to make them, is one of the main sources of greenhouse gas emissions within Groupe SEB, which clearly hopes to reduce these emissions. At the end of 2009 an initial balance sheet for greenhouse gas emissions related to transport was drawn up, and, since then, the Group has continued improving the reliability of the data in this assessment. To further reduce its emissions, the Group is focusing on two main areas: maximising the loading rate (lorries or containers) and increasing the use of alternative, environmentally friendly modes of transport (waterway and rail).

(1) Life-cycle analysis.

A Group-wide initiative has also been deployed to incorporate logistical considerations from the very start of the product and packaging development process: EffyPACK (PACKaging system for supply chain EfficiencY). The project was enhanced in 2013 by the acquisition of a palettisation software which will be rolled out in 2014 in France initially, then internationally. The software allows optimised loading of palettes and containers, making it possible to achieve the target of a 20% reduction in greenhouse gas emissions from transport, per product, by 2020. The carbon footprint from the transport of products, raw materials and components in 2013 is put at nearly 253,000 tonnes of CO_2 equivalent.

Green IT. Groupe SEB continues to expand its environmentally responsible IT policy, focusing on three main priorities: reduction in the number of printers and the amount of paper used in France and, later, worldwide; virtualisation of servers (annual energy savings estimated at €125,000); and the integration of sustainability criteria in the procurement of hardware (computers and telephones). It bases its efforts on the WWF's guide to an environmentally responsible IT system. In 2013, the Group assessed its practice against ISOC (Internet Society) guidelines.

End-of-life. In Europe, the collection and processing of small domestic appliances are managed by eco-organisations. Groupe SEB is especially involved in this endeavour in France, where it chairs Éco-Systèmes, the country's largest eco-organisation. Innovative waste collection programmes have also been introduced in Colombia and in France with local retailers: customers are invited to drop off their old pans and cooking pots in stores in exchange for reduction coupons. The end-of-life products collected this way are sorted and any acceptable raw materials are recycled. In Colombia these materials are reused in the manufacturing processes. In Thailand, a similar initiative was organised in 2013 but the products collected were returned to a local charity making prosthetic limbs. Most of these are aluminium and cookware collected can be turned into artificial legs.

Materiality matrix

In accordance with the Global Reporting Initiative (GRI) recommendations, Groupe SEB decided to rank its social responsibility issues using a materiality matrix. This determines which sustainable development issues are most important to the company. A list of 25 issues was identified and evaluated by the Group, taking account of the importance placed on each by stakeholders and by the Group itself:

- externally: by consulting Groupe SEB's external stakeholders panel, taking into account comments from non-financial rating agencies, questioning sustainable development Auditors and the Sustainable Development Steering Committee on comments received from the business lines;
- in-house: questioning the Sustainable Development Steering Comittee and taking into account the Group's strategy.

The materiality matrix highlights five main CSR challenges for Groupe SEB:

- respect for consumers: quality products, that are guaranteed safe to use and food-safe, consumer information and awareness, after-sales service, etc.;
- employee health and safety: guarantee that every employee has a safe and healthy working environment;
- responsible purchasing: the Group's requirements from its suppliers in relation to Human Rights and ethical, social and environmental principles;
- Human Rights: respect for regulations and international standards on forced labour, disguised labour, child labour, working conditions, overtime, etc.;
- Eco-design of products: reduce the environmental footprint of the Group's products throughout their life cycle.

Materiality matrix

3.2. STAKEHOLDERS

In 2013, the Sustainable Development department held the first panel meeting of Groupe SEB stakeholders, comprising eight external international experts (environmental NGOs, sociologist concerned with alternative consumption, professor in corporate governance, doctor specialising in nutrition, eco-design expert, CSR specialist in China, etc.) plus an employee representative from the Group's European Committee. The result, which included exchanges with members of the Sustainable Development Steering Committee, allowed Groupe SEB to sound out the opinions of its stakeholders on sustainable development issues, its communication and the new eco-design guide. This guide was amended to include comments made before being released to the Innovation Community. Areas for improvement were also identified, such as supporting consumers toward more responsible eating and more sustainable lifestyles.

More generally, Groupe SEB conducts a transparent dialogue with all stakeholders through various communication media.

Stakeholders	Means of dialogue
Employees Employees (managers and non-managers)	Intranet site, welcome booklet, internal communication actions, Annual Assessments, staff meetings, employee survey (Great Place to Work), volunteer day, sites newspapers, leaflets on a range of topics: Code of ethics, Values and management practices, integration program, managers – take the lead of your career, compensation policy, etc.
Future employees	Website, careers site, social networks, school forums, outreach meetings etc.
Employee representatives Employee representative bodies (unions, European Group Committee,Works Councils, employee delegates, Health and Safety Committee, etc.)	Labour relations agenda, meeting of staff-management dialogue bodies, dedicated intranet, signature of collective agreements, etc.
Consumers	Group and brands websites, webzine, social networks, Groupe SEB TV, packaging, media communications (TV, press, radio, posters, internet) and non-media (POS displays, events, etc.), marketing research, Home & Cook stores, consumer service, etc.
Suppliers and subcontractors	Discussions with Group and local purchasers, responsible purchasing Charter, Code of ethics, annual review, EcoMundo platform, CSR audits, etc.
Public authorities Local and national government, CCI, Pôle Emploi employment agency, UN, etc.	Participation in working groups, conferences, partnerships/local projects, public/private research partnerships, competitiveness clusters, etc.
Shareholders Founder Group, individual shareholders, employees	Business and Sustainable Development report, Registration Document, Letter to shareholders, website, webzine, General Meeting, information meetings, etc.
Clients Distributors	Code of ethics, sales meetings, partnerships and multiyear action plans, etc.
Academia National education system, Colleges and Universities, researchers, experts, etc.	Website, careers site, social networks, meetings, participation at seminars and school forums, conferences, sponsorship of research chairs, careers open days, etc.
Professional associations Ceced, Gifam, Unitam, Medef, Afep, Demeter, Éco-systèmes and other eco-organisation, etc.	Participation in working groups, involvement in governance, etc.
Civil society NGOs, associations, communities	Business and Sustainable Development report, selection and support of projects via the Foundation or subsidiaries, partnerships, cause-related marketing products, etc.
Financial and non-financial bodies Rating agencies, analysts, investors, banks, funds, etc.	Business and Sustainable Development report, Registration Document, website, SRI meetings, road shows, replies to questionnaires, press releases, communication on progress of the UN Global Compact, etc.
Approved repair centres	Agora website, brands websites, dismantling instructions, training, spare parts network, etc.

The revenue breakdown among stakeholders is shown in the stakeholder panorama of the Business and Sustainable Development report.

3.3. REPORTING PROCESS

Evaluation of corporate social responsibility performance

Since 2002, Groupe SEB has been committed to reporting its social and environmental performance. To this end, it has established a set of indicators and a reporting system that are regularly reviewed as part of a continuous improvement process. The indicators and methodology are set out in an internal document "Reporting process for CSR steering indicators".

SELECTION OF INDICATORS AND GUIDELINES

The indicators used by Groupe SEB to measure its 2013 performance cover all of the items listed in Article 225 of law no. 2010-788 of 12 July 2012, known as the Grenelle 2 law. The Group goes beyond this legal requirement by reporting other indicators that fall under Global Reporting Initiative (GRI) recommendations. Concrete efforts were made to bring indicators into conformity in this regard. These efforts aim to adhere as closely as possible to GRI guidelines, as these represent an international standard for the reporting of non-financial information. Application of the GRI guidelines will allow for better comparability of sustainability indicators among the companies that use them.

In keeping with the development of national and international requirements and the Group's continuous improvement philosophy, the Group added new indicators. It also specified the components of certain indicators to improve the reliability of published data and has in many areas extended the reporting scope, including to new acquisitions where possible.

All of the indicators reported aim to track the Group's progress in relation to its corporate responsibility commitments. The definition and/or calculation procedure for these indicators is explained whenever useful or necessary.

METHODOLOGY AND TOOLS

The Sustainable Development department coordinates the Group-wide reporting of information related to employment conditions, corporate citizenship and the environment. It develops formal processes for each relevant division and consolidates all data collected in a specific non-financial reporting system.

Since 2012, Groupe SEB has used Tennaxia's reporting system for sustainable development reporting. Its flexibility will make it easy to incorporate future developments: add new indicators, modify reporting scopes, etc. It also makes it possible to create analyses and charts that will be useful in management and decision-making. International deployment was completed during 2013.

The processes and tools used to collect data for the various indicators vary from one theme to the next and between regions (France and World):

Theme/Region	France	World (outside France)
Breakdown of workforce by gender, age, region and classification; external labour	Data extracted from SAP BW imported to Tennaxia (annual)	SAP BW data imported to Tennaxia (annual)
Persons with disabilities	Data compiled in spreadsheet and imported to Tennaxia (annual)	Data input directly to Tennaxia (annual)
Absenteeism rate	Data extracted from SAP BW imported to Tennaxia (annual)	Data extracted from SAP BW imported to Tennaxia (annual)
Collective agreements	Data compiled in spreadsheet and imported to Tennaxia (annual)	Data input directly to Tennaxia (annual)
Overtime	Data extracted from SAP BW imported to Tennaxia (annual)	Data input directly to Tennaxia (annual)
Health	Data compiled in spreadsheet and imported to Tennaxia (half-yearly)	Data input directly to Tennaxia (quarterly)
Safety	Data compiled in spreadsheet and imported to Tennaxia (quarterly)	Data input directly to Tennaxia (quarterly)
Training	Data extracted from SAP BW imported to Tennaxia (annual)	Data compiled in spreadsheet and imported to Tennaxia (annual)
Coporate philanthropic expenses	Data input directly to Tennaxia (annual)	Data input directly to Tennaxia (annual)
Environmental data excluding direct raw materials	Data input directly to Tennaxia (half-yearly)	Data input directly to Tennaxia (half-yearly)
Direct raw materials	Data compiled on spreadsheet	Data compiled on spreadsheet

ACCURACY AND COMPARABILITY

Groupe SEB is committed to ensuring the accuracy of the data it publishes by carrying out a number of consistency tests. The new Tennaxia reporting system provides automatic consistency testing functionality in order to limit data entry errors. It also allows users to attach files and insert comments. Any potential inconsistencies or errors flagged will be reviewed with the sites and corrected. The Group also strives to maintain uniformity across the data, it reports and presents its indicators over a period of three years when data is available.

METHODOLOGICAL LIMIT AND SCOPE

The social, societal and environmental indicators may present methodological limits due to the lack of standard definitions and national/international laws (e.g. workplace accidents) and/or the qualitative nature of certain data. Given these limits, as well as potential data collection difficulties, the scope of the data reported may vary depending on the indicator. Whenever the scope of an indicator is limited, this is explicitly stated. Any other variations in scope may be related to the creation, acquisition, sale or closure of sites.

Data on absenteeism come with a methodological limit. Information from international subsidiaries is not subject to formal monitoring and controls at Group level. It was therefore decided not to publish data from outside France anymore, since it was considered insufficiently reliable.

Note that the quality of data collected on Training may vary between countries. Also, no data was collected in 2013 from nine international subsidiaries, which together employ 0.7% of the workforce. Finally, rather than reporting the number of staff trained, some entities of the Supor subsidiary relied mostly on the number of training sessions held. For this reason, these data will not be consolidated in the Group report.

Regarding Health and Safety reporting, a limit was identified when recording work-related illness on the world scale. Some legal systems impose medical secrecy (such as Germany) and figures are therefore unavailable and treated as null for these specific cases.

A limit was also identified for data on waste. The breakdown of these data is insufficiently precise and the lack of shared definitions for all sites in France and internationally means that the understanding and thus some of the data are not homogeneous. In addition, major inconsistencies were uncovered in Supor's data for this theme. It was therefore decided to publish no data for this subsidiary this year. Efforts will be made to ensure 2014 data are reliable.

REPORTING PERIOD

The period used for annual sustainability reporting is the financial year, which corresponds to the calendar year in Groupe SEB's case (1 January to 31 December).

AUDIT

This year, to comply with what are now legal obligations, PricewaterhouseCoopers Audit verified the presence and sincerity of the social, societal and environmental information in the Registation Document in respect of 2013.

3.4. SOCIAL PERFORMANCE INDICATORS

The Groupe SEB human resources policy is based on major factors such as the respect of Human Rights, the development of skills, health and safety in the workplace, dialogue with labour organisations, diversity and equal opportunities.

All data provided below concern our worldwide operations, except in cases where it is explicitly stated that the data do not include Vietnam-based Asia Fan. Neither do these data include Maharaja Whiteline, the Indian company in which Groupe SEB acquired a 55% stake in 2011. Data concerning the new acquisitions will be included progressively, as and when they are integrated into the various Group processes.

Payroll and charges

(Worldwide)

	2013		2012		2011 [c]	
(In € millions)	World	France	World	France	World	France
Payroll [a]	511.5	227.9	485.1	224.4	456	222.2
Payroll taxes [b]	121.8	68.3	119.5	65.1	116.1	62.8
Pension and other post-employment benefit plan costs	46.6	37.4	45.1	36.7	40.6	33.8

(a) Excludes bonuses and profit-sharing – includes provisions for paid vacation, excluding individual benefits.
(b) Includes provisions for payroll taxes on paid vacation.
(c) Following early adoption of IAS 19R.

Profit sharing

(France)

(in € thousands)	2013	2012	2011
Provision for volontary profit-sharing	16,662	16,132	19,905
Provision for profit-sharing	18,174	22,818	27,697
TOTAL	**34,836**	**38,950**	**47,602**

Amounts paid in the year indicated in respect of the previous trading year.

An additional €1,646,000 was paid out in France in August 2013 as the profit-sharing bonus in respect of 2012 results.

In 2014, the amount paid in profit sharing will amount to €30.5 millions. This amount includes the bonus mentioned above.

Breakdown of total workforce by geographical zone

(Worldwide)

(number of individuals)	2013	2012	2011
France	5,868	5,898	5,904
Other Western European countries	1,308	1,310	1,372
North America	681	677	673
South America	2,620	2,723	2,818
Asia-Pacific	13,340	13,325	12,485
Central Europe, Russia and rest of world	865	825	736
TOTAL	**24,682**	**24,758**	**23,988**

Total workforce includes those working under permanent contracts, fixed-term contracts or other similar contracts, as well as work-study trainees. Temporary employees are not included in this figure. At 31 December 2013, Groupe SEB had 24,682 employees. Asia Fan and Imusa employees were consolidated as from 2012.

Breakdown of changes in staffing

(Worldwide)

(number of individuals)	2013	2012	2011
FRANCE			
Recruitment [(a)]	**574**	**531**	**594**
Fixed-term contracts	366	300	253
Permanent contracts	208	231	341
Departures [(a)]	**595**	**536**	**503**
Economic redundancies	2	10	0
Terminations for other reasons	34	43	32
AVERAGE RATE OF STAFF TURNOVER [(b)] **(%)**	**0.73**	**0.67**	**1.00**
OTHER WESTERN EUROPEAN COUNTRIES			
Recruitment [(a)]	**208**	**183**	**208**
Fixed-term contracts	109	90	112
Permanent contracts	99	93	96
Departures [(a)]	**194**	**252**	**235**
Economic redundancies	15	44	34
Terminations for other reasons	16	29	28
AVERAGE RATE OF STAFF TURNOVER [(b)] **(%)**	**5.55**	**6.25**	**5.91**
NORTH AMERICA			
Recruitment [(a)]	**123**	**150**	**95**
Fixed-term contracts	11	26	17
Permanent contracts	112	124	78
Departures [(a)]	**128**	**147**	**159**
Economic redundancies	2	6	48
Terminations for other reasons	26	27	34
AVERAGE RATE OF STAFF TURNOVER [(b)] **(%)**	**11.72**	**14.03**	**9.58**

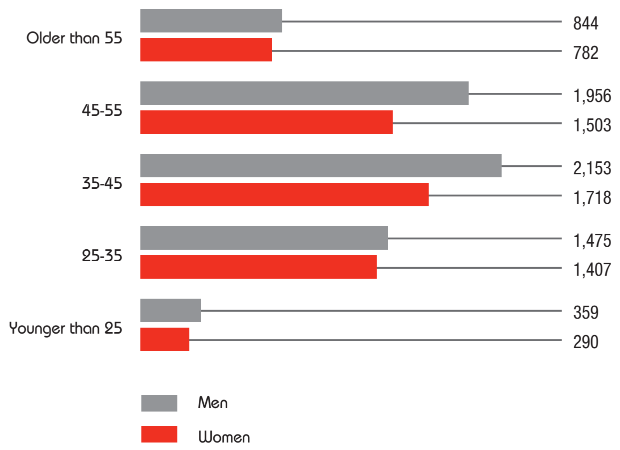
(number of individuals)	2013	2012	2011
SOUTH AMERICA			
Recruitment [a]	**475**	**389**	**596**
Fixed-term contracts	144	76	165
Permanent contracts	331	313	431
Departures [a]	**568**	**483**	**657**
Economic redundancies	30	181	163
Terminations for other reasons	284	63	169
AVERAGE RATE OF STAFF TURNOVER [b] (%)	**5.52**	**6.24**	**8.54**
ASIA-PACIFIC			
Recruitment [a]	**9,738**	**8,122**	**9,773**
Fixed-term contracts	9,102	7,928	9,583
Permanent contracts	636	194	190
Departures [a]	**9,686**	**8,124**	**9,390**
Economic redundancies	12	7	2
Terminations for other reasons	2	34	8
AVERAGE RATE OF STAFF TURNOVER [b] (%)	**6.13**	**7.12**	**14.54**
CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES			
Recruitment [a]	**287**	**170**	**153**
Fixed-term contracts	104	63	62
Permanent contracts	183	107	91
Departures [a]	**177**	**86**	**132**
Economic redundancies	36	3	10
Terminations for other reasons	7	9	12
AVERAGE RATE OF STAFF TURNOVER [b] (%)	**15.95**	**9.19**	**14.30**

(a) Excluding internal transfers and the return of expatriates.
(b) Number of resignations of permanent contract employees/Average number of permanent employees.

Asia Fan data were consolidated as from 2013. As in previous years, the integration of Supor in the Asia-Pacific data and the increase in its staff in 2013 have generated an increase in fixed-term or similar contracts, which are very common in China and are often for long terms, especially for manual workers. The high number of departures in the Asia-Pacific region thus corresponds to the expiration of these fixed-term contracts. In 2013, the Group turnover rate was 4.39%.

Breakdown of employees by age

(Worldwide excluding Supor and Asia Fan, number of employees)



A major agreement on inter-generational contracts was signed in France in 2013. The aim is to bring young people, particularly those without qualification, into the workforce, to hire and keep older employees and to ensure knowledge is transmitted. The new agreement continues the policy of forward planning careers and skills management programme and incorporates the agreement on employment of seniors signed in 2009. Each French company has set ambitious targets to converge with those of the Group. Between 445 and 465 new hirings are planned by 2016, including 25% young people rising to 33% when replacing retirements at industrial sites. To encourage long-term insertion of young people, particularly those without qualification, the Group plans to put in place training and support programmes, such as sponsorship schemes. The agreement also reiterates the company's commitment to work-study trainees and provides for a tutoring scheme to ensure skills are passed on.

Breakdown of employees by type of contract

(Worldwide)

	2013	2012	2011
FRANCE			
Permanent contracts, fixed-term contracts or other short-term contracts	5,639	5,706	5,777
Full-time	89.2%	89.3%	89.0%
Part-time	10.8%	10.7%	11.0%
Work-study trainees [(a)]	229	192	127
OTHER WESTERN EUROPEAN COUNTRIES			
Permanent contracts, fixed-term contracts or other short-term contracts	1,299	1,304	1,365
Full-time	76.0%	76.8%	78.8%
Part-time	24.0%	23.2%	21.2%
Work-study trainees [(a)]	9	6	7
NORTH AMERICA			
Permanent contracts, fixed-term contracts or other short-term contracts	681	677	673
Full-time	97.9%	96.9%	97.3%
Part-time	2.1%	3.1%	2.7%
Work-study trainees [(a)]	0	0	0
SOUTH AMERICA			
Permanent contracts, fixed-term contracts or other short-term contracts	2,566	2,673	2,769
Full-time	99.6%	99.8%	99.8%
Part-time	0.4%	0.2%	0.2%
Work-study trainees [(a)]	54	50	49
ASIA-PACIFIC			
Permanent contracts, fixed-term contracts or other short-term contracts	13,340	12,457	12,485
Full-time	99.9%	99.9%	99.9%
Part-time	0.1%	0.1%	0.1%
Work-study trainees [(a)]	0	96	0
CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES			
Permanent contracts, fixed-term contracts or other short-term contracts	865	825	735
Full-time	93.3%	94.3%	93.5%
Part-time	6.7%	5.7%	6.5%
Work-study trainees [(a)]	0	0	1

(a) Working under apprenticeship/professional training contracts.

Asia Fan data were consolidated as from 2013. Worldwide, 49.9% of employees are on permanent contracts, 48.9% on fixed-term contracts and 1.2% are work-study trainees. Excluding Supor, where tempororay contracts are normal and often for long periods, particularly for manual workers, 86.8% of employees are on permanent contracts.

Persons with disabilities

(Worldwide)

	2013		2012		2011	
	World	France	World	France	World	France
Number of employees with disabilities	485	310	464	310	416	300
% of employees with disabilities (a)	1.96	5.28	1.87	5.26	1.73	5.08

(a) Ratio between the number of employees with disabilities and the total number of employees as at 31 December, excluding temporary employees and ESAT (centres providing care through employment) sheltered employees.

With the exception of Supor, where the number of physically disabled employees is relatively low, the number of disabled employees stands at 3.43% worldwide (3.24% in 2012).

Disabilities are a serious concern for Groupe SEB, which works to prevent them through its health and safety policy and to provide employment opportunities to people with disabilities. If temporary workers and ESAT sheltered employees are included, the rate of disabled employees surpasses the 6% legal quota. A three-year collective agreement on people with disabilities was signed by Groupe SEB in 2013. It aims to deliver better conditions for disabled workers joining the workforce and ensure their long-term integration into the Group's French companies, whether industrial or tertiary. To achieve this, the agreement sets out plans for a proactive communication campaign to change employee attitudes toward disability: awareness sessions on visible and invisible disability, a disability booklet, guide to support on offer, etc. Groupe SEB has also informed its partner schools about the agreement and works with specialist organisations as from the day of recruitment. The agreement also sets out some concrete actions: persons with disabilities reaching the end of their career can apply for a 20% cut in working time, with a doctor's note, at the same rate of pay.

Absenteeism rate

(France)

	2013	2012	2011
Absenteeism rate (a)	4.0	3.7	3.8

(a) Ratio between the number of days absent and the hypothetical number of days present.

Breakdown by gender and category

(Worldwide)

(in %)	**2013**	2012	2011
MEN			
Manual workers	37.8	38.1	38.8
Other workers	13.2	14.0	13.6
Managers	7.4	6.9	6.7
TOTAL	**58.4**	**59.0**	**59.1**
WOMEN			
Manual workers	23.4	22.9	23.6
Other workers	14.1	14.5	14.0
Managers	4.1	3.6	3.3
TOTAL	**41.6**	**41.0**	**40.9**

At year-end 2013, 61.2% of Group employees were manual workers, 27.4% were employees and 11.4% were managers. Excluding Supor, manual workers, both male and female, represent only 41.4%, while managers represent 19.7%, 36.4% of whom are female.

Progress is being made on gender equality in management positions: in 2013, 35.5% of managers worldwide were women, compared to 20% in 2002. Women are also increasingly well represented among managers posted outside their home country: one third of "expatriates" were women in 2012/2013. As an example of this international mobility, two women were appointed in 2013 to head the new subsidiaries in Egypt and South Africa.

To ensure balance is maintained in the number of male and female workers, in France, every site produces an annual comparative situation report on gender equality, looking at equality in staff numbers, remuneration, career advancement and training. The report is one of the measures required under the three-year gender equality agreement signed in December 2011. Funding of 0.2% of the payroll has been allocated since 2007 to make good cases where women were being paid less than men for the same job or a similar-skilled job. Over the last two years, the focus has been on training programmes for women with a view to career prospects, particularly in areas that have traditionally been a male preserve. 28% of women working in the industrial areas perform managerial or technically demanding jobs. The increase is due to the introduction of qualification programmes at a number of sites.

Social dialogue

Groupe SEB believes that social dialogue fosters stability and cohesion and it respects freedom of association around the world. This commitment was reaffirmed in the Group's Code of ethics, issued to all of its subsidiaries in 2012/2013. The Group also works to create employee representation bodies in all countries in which it operates.

To encourage the exercise of trade union rights, in 2007 Groupe SEB signed a specific agreement with labour unions. It sets forth additional measures to accompany the careers of employees who are union representatives. Team managers also receive training on social dialogue in France to ensure they have the proper knowledge and understanding.

Groupe SEB has a European Group Committee with employee representatives from 15 European Union countries.

At end-2013, almost 90% of Groupe SEB's staff are covered by a collective agreement. In countries where the Group has industrial facilities, this percentage stands at 97%.

Collective agreements

(Worldwide)

	France	Other Western European countries	North America	South America	Asia-Pacific	Central Europe, Russia, other countries	Total
2013	39	21	1	27	40	7	135
2012	56	18	4	10	35	8	131
2011	31	11	10	11	16	6	85

A total of 135 collective agreements were signed in 2013. More than a quarter of these related to remuneration, nearly 20% to social dialogue, and a similar percentage to health and safety.

External labour [(a)]

(Worldwide)

	2013	2012	2011
France	550	694	602
Other Western European countries	23	17	57
North America	178	160	201
South America	681	1,323	1,119
Asia-Pacific	679	1,088	1,177
Central Europe, Russia and other countries	31	68	78
TOTAL	**2,142**	**3,350**	**3,234**

(a) Temporary full-time equivalent staff.

Overtime

(Worldwide)

2013: in France, 51,278 hours, or 28 full time-equivalents (FTE) (2012: 52,368 hours or 29 FTE).

Worldwide excluding Supor, 559,236 hours, or 257 FTE (2012: 767,430 hours or 333 FTE).

For Chinese subsidiary Supor, 9,771,609 hours, or 4,682 FTE (2012: 6,207,896 hours or 2,957 FTE). These figures reflect the local context, where work is highly seasonal, and pressures on the recruitment of labour in Eastern China.

Given the diversity of the Group's sites and local regulations governing working time, the Group's aim is not to exceed 48 hours in a standard working week and 60 hours including overtime. Every employee must also have at least one rest day each week, except in exceptional circumstances, as explained in the Group's Code of ethics. The Group is actively working to achieve these objectives, particularly in its Chinese plants.

Health and Safety

(Worldwide)

	2013	2012	2011
FRANCE			
Number of workplace accidents with days lost	83	76	86
Number of days lost	3,954	3,192	3,938
Lost time injuries rate (a)	9.68	8.89	9.96
Severity rate (b)	0.46	0.37	0.46
Number of workplace fatalities	0	0	0
OTHER EUROPEAN COUNTRIES			
Number of workplace accidents with days lost	13	11	11
Number of days lost	210	280	195
Lost time injuries rate (a)	4.81	4.03	3.03
Severity rate (b)	0.08	0.10	0.05
Number of workplace fatalities	0	0	0
EURASIA (c)			
Number of workplace accidents with days lost	0	0	0
Number of days lost	0	0	0
Lost time injuries rate (a)	0	0	0
Severity rate (b)	0	0	0
Number of workplace fatalities	0	0	0
NORTH AMERICA			
Number of workplace accidents with days lost	3	6	5
Number of days lost	91	163	101
Lost time injuries rate (a)	2.44	4.39	3.98
Severity rate (b)	0.07	0.12	0.08
Number of workplace fatalities	0	0	0
SOUTH AMERICA			
Number of workplace accidents with days lost	26	28	44
Number of days lost	813	800	976
Lost time injuries rate (a)	4.58	4.95	7.47
Severity rate (b)	0.14	0.14	0.17
Number of workplace fatalities	0	1	0
ASIA-PACIFIC			
Number of workplace accidents with days lost	92	62	71
Number of days lost	3,596	1,716	1,507
Lost time injuries rate (a)	2.31	1.87	2.07
Severity rate (b)	0.09	0.05	0.04
Number of workplace fatalities	0	0	0

(a) Number of workplace accidents with days lost per million hours worked.
(b) Number of days lost per thousand hours worked.
(c) Kazakhstan, Iran, Turkey, Ukraine, Dubai and Russia

All data in the table exclude temporary employees.

In France the lost time injuries rate (LTIR), excluding temporary employees, stood at 9.68 in 2013 (8.89 in 2012). The total recordable injuries rate (TRIR), which includes accidents with and without lost time, excluding temporary employees, stood at 20.87 (18.48 in 2012). In France, Groupe SEB counted 179 workplace accidents with or without days lost in 2013.

Worldwide, the LTIR, excluding temporary employees, stood at 3.63 in 2013 versus 3.49 in 2012. The TRIR, excluding temporary employees, stood at 6.28 (6.11 in 2012). These figures include France. Overall, Groupe SEB counted 376 workplace accidents with or without days lost in 2013.

Five Group entities accounted for 87% of all accidents at work: France, Supor China, Groupe SEB Colombia, Groupe SEB Brazil and SEB Asia Hong Kong, in diminishing order. France and Supor had 71% of accidents between the two of them. Despite the multiplication of accident prevention measures worldwide, Supor China reported 30 more accidents in 2013 than in 2012 and France had seven additional accidents. Together, these account for the rise in the global lost time injuries rate. Some entities successfully reduced the number of accidents, such as Supor Vietnam (six fewer accidents), Groupe SEB Colombia and Argentina (three fewer), All-Clad USA and Chinese subsidiary SSEAC (both two fewer).

The lost time injuries rate of accidents at work (LTIR), previously used by the Group corresponds to the number of workplace accidents with days lost per million hours worked. It counts all types of accident including those that are not directly related to working conditions. As from 2014, Groupe SEB will adopt a new system of accounting for accidents that includes the idea of a link with work. This is the one used by the Occupational Safety and Health Administration (OSHA) already used in many large groups. Accidents which have no direct causal link with work will no longer be counted in the Group's lost time injury rate (LTIR), as from next year. Targets announced for 2014 are already based on this definition. The new internal recording system has no effect on local legal declarations, which remain unchanged. The LTIR target for 2014 is 7.3 for France and 3.0 worldwide.

Severity rate of work accidents reach 0.14 worldwide at the end of 2013.

A global survey of work-related illness was also launched in 2013 for direct workforce. 8.81% of the Group's direct workforce is affected by one or more professional illnesses.

Direct manual labour employees affected by one or more work-related illness *(in %)*	**2013**
France	42.52
Other European countries	0.00
Eurasia	0.00
North America	7.14
South America	9.57
Asia-Pacific	0.06

Organisation

For several years, Groupe SEB has taken steps to reduce the number of workplace accidents and limit the number of employees affected by work-related health conditions, primarily Musculoskeletal Disorders (MSDs). Health and safety policy is steered by the Quality department, with two persons committed full-time to coordinating this issue. It is based on a network of Environmental Health and Safety coordinators (EHS), first introduced in France in 2012. In 2013, 30 EHS coordinators have been appointed worldwide to ensure full and structured coverage of the industrial and logistics sites, while EHS Referents are being approved for tertiary sites. In France, EHS coordinators have started to undergo specific training.

Safety

Groupe SEB has rolled out an enhanced safety approach since 2008 to prevent accidents at work on its sites. With a view to achieving top-rate safety levels, the Group subsequently laid the foundation for a more safety-conscious corporate culture, worldwide, by launching the "Safety in SEB" programme in 2012. This programme is led by a Strategic Health & Safety Committee with three members from the Executive Committee and an International Operational Committee. The Strategic Committee sets health and safety policy and direction for the Group and defines priorities. The Operational Committee identifies the necessary actions and standards to implement the Strategic Committee's decisions. These Committees meet alternately each quarter.

The safety approach is backed by the highest levels of management, as shown by the letter sent by Thierry de La Tour d'Artaise to all employees on this issue in 2013. The CEO has also made a video presenting the Group's safety policy, which has been translated into eight languages and disseminated widely among the teams, with the support of local management.

On the ground, the roll-out of best practices continues with a view to it becoming standard for the Group. This was the case with the Behaviour-Based Safety Visit, adopted by Colombia in 2013. Each plant and logistics site also implemented five "unbreakable rules" to address major risks, no deviation from which will be tolerated.

In addition, the Flash Safety Vigilance information tool, introduced at end-2011 in France, was extended to all sites worldwide in 2013, including tertiary. Every accident that has a direct relation to work and results in a loss of work time is reported to the whole community of site managers and EHS coordinators in Groupe SEB to strengthen preventive measures.

Health

The Health Plan, launched in 2009, has become a major strand of Groupe SEB's employee policy as tool for preventing risks due to the lack or limitation of abilities on the part of employees. It focuses on preventing workplace accidents, particularly Musculoskeletal Disorders (MSDs) to the upper body and back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the plants, particularly in Europe, exacerbated by the ageing of the workforce and extensions to the pension age.

The Group's Health Plan has three parts:

- a communication and awareness raising approach;
- a Group-wide prevention approach based on clearly identified actors, well-defined roles and the input of specific skills to the MSDs prevention Referents, product process designers, managers and production managers, as well as those at risk themselves. This Group-wide approach will also involve MSDs Referents in product process design and the introduction of preventative exercises: warm-ups and stretching tailored to each job;
- tracking of health indicators and assessment of actions' effectiveness.

In France, every industrial and logistics site has set up a Steering Committee for Musculoskeletal Disorders and trained several contacts who will ensure risks will be taken into account upstream, at the product design stage, and downstream, by amending workstations where appropriate. Ergonomic improvements to workstations, training and staff rotation, warm-up and cool-down exercises, as well as quick response whenever an employee indicates discomfort while working have helped reduce, since 2010, the number of MSDs reported. The approach is gradually being rolled out internationally, in ways suited to local issues.

OHSAS 18001 certification

(Worldwide)

	2013	2012
Number of certifiable entities	*38*	*38*
Entities holding OHSAS 18001 certification [(a)]	86.8%	81.6%

(a) Based on industrial and logistics entities at the end of the year concerned.

Since 2007, the Group has worked to be awarded certification for its health and safety management system in order to structure its on-site approach in a sustainable manner. In 2013, the Copacabana and Rionegro sites of Imusa, a Colombian subsidiary, acquired in 2011, were OHSAS 18001 certified. At year-end 2013, 86.8% of the Group's industrial and logistics entities now hold this workplace health and safety certification. Stripping out Asia Fan (Vietnam) and Maharaja Whiteline (India), both acquired in 2011, this would rise to 91.7%.

Action plans aiming to bring this figure to 100% by the end of 2015, excluding Maharaja Whiteline, have been approved.

Training (staff and training hours)

(Worldwide excluding Supor)

	2013		2011
Number of training hours	227,504	280,393	269,661
Number of staff trained	9,030	8,870	8,515
Of which women	*3,782*	*3,748*	*3,270*
Of which men	*5,248*	*5,122*	*5,245*
Number of employees trained in workplace safety	9,945	4,694	3,276

Excluding Supor, almost 68% of Group employees benefited from at least one training session in 2013, compared to 66% in 2012. Of the total hours of training conducted in 2013, 34% targeted manual workers, 35% targeted employees and 31% targeted managers. Supor held 289,767 training hours.

The training policy covers all Group employees and most training programmes are organised in a decentralised manner. Each year, the Human Resources department defines the Group's training priorities. Using this frame of reference, each subsidiary develops its own training plan based on the employees' needs and aspirations, as expressed during the annual evaluation (annual evaluations were held with 62.2% of managers as part of the 2012/2013 worldwide campaign and 96.3% in France).

In France, Groupe SEB employs almost 5,900 people across nearly fifteen sites. Its industrial operations are moving towards greater automation and computerisation of production systems and more exacting management system requirements. These changes lead to new skills requirements, making it necessary to provide early training to employees who are less well equipped to deal with these new challenges in order to guarantee their employability.

Groupe SEB's employability policy relies on an innovative training programme based on four "bricks" of skills, adapted to employees' various training needs: DECLIC (review of fundamental concepts in core subjects); General Training Certificate (national education diploma combined with an Internet and computer skills certificate); RIAE (in-house recognition of professional experience) and VAE (validation of professional experience). The purpose of this programme is to anticipate future employment needs and to identify both endangered and emerging lines of work, together with the related skills. Since 2009, more than 1,200 Groupe SEB employees have undergone this employability process. All of the Group's French sites set up career centres in 2011 in order to carry out these training programmes leading to qualifications and to maintain employability as jobs and skills evolve over time. These sites also aim to allocate 20% of their total training budget to training designed to improve the employability of employees with limited qualification.

Finally, the collective agreement on inter-generational contract, signed in 2013 for France, picks up some of the provisions of the 2009 senior agreement. It reiterates the aim of keeping employees over 55 in work and the principle of non-discrimination when hiring. A target of recruiting over-50s on fixed-term contracts has been set at 5% of Group new hires over the period in all categories.

Training budget [(a)]

(Worldwide)

(as a % of payroll)	**2013**	2012	2011
France	3.91	4.32	4.28
Other Western European countries	1.18	0.99	1.94
North America	1.71	1.04	1.26
South America	0.63	1.62	2.34
Asia-Pacific	1.45	1.36	3.13 [(b)]
Central Europe, Russia and rest of world	2.44	2.86	3.21
TOTAL	**2.54**	**2.75**	**3.38**

(a) Teaching cost + expenses, wages for trainees.
(b) Excluding Supor.

2013 figures include training costs of Vietnamese subsidiary Asia Fan. The Training expenses of Supor were 1.19% of the payroll in 2013 (0.91% in 2012). The Group's training expenses were 2.54% of its payroll in 2013 (2.75% in 2012). Excluding Supor, this percentage stands at 2.12% for the Asia-Pacific region and 2.84% Group-wide (2.14% and 3.06% in 2012, respectively).

Groupe SEB University

(Worldwide)

	2013	2012	2011
Number of trainees	1,357	1,288	1,591
Number of training sessions	141	129	122
Number of training hours	28,356	30,139	35,905

Founded in 1991, the Groupe SEB University offers both French and international employees the chance to participate in high-level training on management in a multicultural environment, the Group's strategic objectives and specialised skills (marketing, finance, logistics, etc.).

3.5. CORPORATE RESPONSIBILITY INDICATORS

All the figures below are for a worldwide scope excluding Maharaja Whiteline, the Indian company in which Groupe SEB took a 55% stake in 2011.

Operations of the Groupe SEB Foundation

Created in 2007 for an initial period of five years, the Groupe SEB Foundation's vocation is to fight exclusion. It supports projects to help people in difficulty reintegrate into society, with three focuses: employment, housing and education/training. Its bylaws were renewed in 2012 for a period of three years. In keeping with the previous budget, €1.8 million was allocated to the Groupe SEB Foundation for this period. In the future, the Foundation will work to boost its international initiatives, in collaboration with the subsidiaries. In 2013, the Foundation supported a diversified range of initiatives, including 31 large projects and 35 local projects, in the context of a support budget that amounted to €543,000 in cash and €334,000 in product donations.

GOVERNANCE AND OPERATION

Governance of the Foundation is split between two key entities: the Board of Directors and the Operational Committee, supported by a team dedicated to the Foundation.

The Board of Directors sets the strategy for the Foundation. Its members are:

- Thierry de La Tour d'Artaise: Chairman and CEO, Chairman of the Foundation
- Vincent Léonard: Senior Executive Vice-president, Finance, Treasurer of the Foundation
- Harry Touret: Senior Executive Vice-president, Human Resources
- Joël Tronchon: Vice-President of Sustainable Development, Managing Director of the Foundation
- Marianne Eshet: Managing Director of the Solidarité SNCF Foundation
- Guillaume Bapst: Director of the Association Nationale de Développement des Épiceries Solidaires (A.N.D.E.S.)

The Operational Committee reviews and selects projects submitted to the Foundation, and monitors their implementation, thereby contributing to the direction and improvement of future philanthropic programmes.

It has 11 members, who are Group employees, selected for the diversity of their skills (Management, HR, Communications, union representatives, etc.) and their commitment to solidarity.

An operational team delivers and assesses the projects and develops the network of employee volunteers.

PROJECTS SUPPORTED IN FRANCE

Since its creation, the Foundation has supported 278 projects in France designed to "improve quality of life for all". These were run by associations with which the Foundation has built close links: for instance, Habitat & Humanisme, Envie, l'Association Nationale de Développement des Epiceries Solidaires (A.N.D.E.S.), Apprentis d'Auteuil, and the Agence du Don en Nature of which it is a founding member. In 2013, new nationwide partnerships were put in place with the French Red Cross and the Fédération Nationale des Ecoles de Production.

In cooperation with the French Red Cross, Groupe SEB's conceived the welcome pack project to help people housed in the association's social exclusion facilities. 530 packs of new products manufactured by Groupe SEB, for breakfast, cooking and home care were handed out to more than 1,000 people staying into 17 Red Cross locations. These included frying pans, saucepans, kettles, coffeemakers, irons and vacuum cleaners to help people set up their home or join one of the Red Cross's collective residences under the best possible conditions.

The Groupe SEB Foundation also supported the Fédération Nationale des Écoles de Production in representing and promoting these hands-on vocational training schools. The contribution is essential as many young people looking to start out in life need very specific training with a direct link to the world of work. These vocational schools lead young people into sustainable work through their approach: get recognised state qualifications (CAP, Bac Pro) while learning a job in an actual production situation for real clients (2/3 time) plus theory teaching. This instils a sense of practical purpose which promotes motivation and responsibility, as well as the habits needed in work.

INTERNATIONAL DEVELOPMENT OF THE FOUNDATION

Continuing its partnership with CARE in Brazil (programme of nutrition education), the Foundation took part in 2013 in a Vietnamese programme to develop mangrove forests (on the tropical coastline) and promote their sustainable management while enhancing the quality of life for local communities. These will thus be less vulnerable to natural disasters, which are increasing in frequency and severity in the region.

A second project was launched in Vietnam in 2013 with the Life Project 4 Youth charity. The Foundation made a donation to help launch a life centre for immigrant young girls and mothers, who are in a vulnerable position. In the centre, located in Ho Chi Minh City, young women are trained in baking at a workshop which will eventually allow the centre to become self-financing. They are paid for their work and accompanied in an integration programme lasting 9-18 months, when they develop a business activity as a team, catch up on missed schoolwork and plan their future life.

COORDINATING CORPORATE PHILANTHROPY ON A GLOBAL SCALE

In 2012, the Foundation introduced a formal policy for global corporate philanthropy, to harmonise the Group's commitments in this matter. The French and international subsidiaries are encouraged to favour projects related to the fight against social exclusion. Most international projects are financed and steered by the subsidiaries, but some, such as CARE Brazil, are co-financed by the Foundation. In France, to complement the Foundation's work, the subsidiaries have been financing projects close to their local sites.

Total corporate philanthropic expenses

(Worldwide excluding Supor Vietnam)

(in €)	**2013**	2012	2011
Financial donations	2,248,636	2,170,592	2,064,975
Of which Groupe SEB Foundation	*543,000*	*500,000*	*550,000*
Product donations	597,381	499,037	659,816
Of which Groupe SEB Foundation	*334,000*	*280,000*	*239,000*
TOTAL CORPORATE PHILANTHROPIC EXPENSES	**2,846,017**	**2,669,629**	**2,724,791**

Overall, the Group allocated almost €2.9 million to corporate philanthropic activities in 2013, underlining its commitment in this area. This includes donations to public interest organisations and cross-partnerships which are more like sponsorship, having a strong impact for the brand or company in terms of communications or public relations. The cause-related marketing products, where a product is sold and part of the proceeds go to charity, are an example of cross-partnerships. The biggest initiative of this kind its Tefal's partnership with Unicef, now in its third campaign.

All over the world, Group subsidiaries fund projects directly. Groupe SEB USA, for instance, supports the Emeril Lagasse Foundation in teaching cooking to young people from disadvantaged backgrounds in and around New Orleans.

In China, Supor has for many years had a policy of supporting school-building to help educate disadvantaged children. Since this project began, Supor has funded 14 Supor Schools. In addition to financial support, this programme mobilises employees to volunteer and support the schools or donate books.

Finally, in Korea, Groupe SEB subsidiary has gone into full partnership with the American NGO Child Fund, supporting disadvantaged children via projects including a charity auction, a cause-related marketing product to support bright children from poor backgrounds and the donation of product kits to 120 poor families.

Responsible Purchasing

(Worldwide)

A responsible purchasing Charter was introduced in 2012, in conjunction with the Groupe SEB Code of ethics. It explains the Group's requirements from its suppliers in relation to Human Rights and ethical, social and environmental principles. In 2013, the Charter was sent out to 92% of the Group's suppliers' panel (it is currently being sent to Supor's suppliers, among others). Nearly 90% of suppliers who received the responsible purchasing Charter have signed up to its requirements or been deemed to be compliant thanks to their own existing policies. The number of suppliers to which the Charter was sent is an indicator that was audited in 2013.

In 2013, the Group refined its responsible purchasing policy on several points. Pre-assessment of new suppliers: 15% of the social and environmental criteria need to be met by indirect (non-industrial) suppliers. This rises to 25% for direct (industrial) suppliers. If just one of these criteria is rated as unsatisfactory, the supplier will be struck off.

The Group has also substantially stepped up its ethical, social and environmental audits of suppliers, carrying out 145 in 2013 (against 80 in 2012). 103 of these audits were done by the specialist company SGS (i.e. more than 70%). These audits follow a strict formal procedure. After an in-depth audit (two-three days on-site), the auditor sends the report to the Group Purchasing department. There are three possible scores: green (compliant or minor breaches), yellow (major breach) or red (critical breach). Any critical breach (e.g. non-compliance with the minimum working age) triggers the following actions: letter from the Group Purchasing department demanding the implementation of a corrective plan within two weeks, the immediate suspension of any new tendering process, and a control audit (by SGS) three months later to check that the problem has been resolved. If not, the Group ends the collaboration. In cases of a major breach (e.g. signs of pollution), the regional Head of Purchasing sends a formal letter warning the company to correct the breach and follows this up with a monitoring audit three months later. The regional Purchasing Heads report through a monthly file available to the Group on the intranet, informing the Purchasing department about monitoring of their suppliers and quarterly meetings are held with different countries.

Finally, in 2013, subcontracted work to the protected sector (companies providing work to people with disabilities) totalled €3.2 million across all French sites of the Group.

Fight against corruption

The Group developed a buyers code of ethics – now integrated as part of the responsible purchasing Charter issued in 2012 – which requires employees to refuse any sort of financial compensation, gift or benefit.

This policy was integrated and completed with the international Code of ethics distributed to all employees. This document stipulates, in particular, that Groupe SEB strictly prohibits any form of corruption in its dealings with commercial and institutional partners as well as with the government. No financial rewards or other types of benefits may be offered in an effort to seek an advantage or be received in exchange for preferential treatment.

In addition, in 2003 the Group signed the UN's Global Compact, its tenth principle requiring businesses to work against corruption.

Product liability

Groupe SEB is committed to offering customers high-quality products, guaranteed to be safe and food-safe. In each country, the Group complies with all standards and regulations governing the products it sells. It controls quality at all stages of the design and manufacture of its products, including at subcontractors. It has processes in place to continuously improve the quality of its products, incorporating customer comments. Finally, it conducts monitoring and takes proactive steps to raise quality standards in the interests of the consumer. This product liability is the first theme addressed in Groupe SEB's Code of ethics as part of its policy of respect for the consumer.

Repairability

The ability to repair Groupe SEB products has been included as one of the Group's major eco-design criteria. Concrete targets for each product family have been formalised in the eco-design internal guide. In 2013, 68% of products sold were fully repairable and 94% repairable in part. A product is considered to be fully repairable when all the components that can be changed are available and none costs more than half the price of the product. For a partly repairable product, the same considerations must apply to one or two spare parts. To encourage repair of products out of guarantee, the Group guarantees to its repair centres that some 36,000 listed spare parts will be available for an average of seven to ten years, at the cheapest possible price.

3.6. ENVIRONMENTAL PERFORMANCE INDICATORS

Groupe SEB's environmental strategy is supervised by the Quality department and is deployed across the sites by local correspondents.

Groupe SEB has worked for many years to improve the environmental performance of its industrial entities and logistics platforms. The worldwide Environment Management System (ISO 14001) put in place in 2003 aims in particular to reduce greenhouse gas emissions and to limit water and energy consumption and waste production. The Group is committed to adhering to the guidelines set forth in the standard, including compliance with the regulations and existing laws as well as continuous improvement and pollution prevention.

The Group's goal is for all of its industrial and logistics entities to be ISO 14001 certified worldwide. At year-end 2013, 89.5% of them had received this certification. Asia Fan (Vietnam) and Maharaja Whiteline (India), both acquired in 2011, are part of the certification scope but not yet certified. Action plans are in place to bring them up to the standards of Groupe SEB.

The data provided below concern worldwide operations, except in cases where it is explicitly stated that they only include the ISO 14001 certified entities. Neither do they include Asia Fan (Vietnam) and Maharaja Whiteline (India), companies in which Groupe SEB acquired a 65% and 55% stake, respectively, in 2011. The Supor (China) and St Petersburg (Russia) sites were certified in 2012 and included for the first time in 2013 consolidated data. The Imusa sites (Colombia) were certified in 2013 and will be included as from next year.

Data concerning the new acquisitions will be included progressively, as and when they are integrated into the various Group processes.

Employee education and training

All Groupe SEB employees are informed of the Group's requirements in relation to respect for the environment. These requirements have been codified in the Group's Code of ethics, which is deployed both in France and internationally. Specific training actions are also held to ensure that personnel have the necessary skills. Groupe SEB also shares its performance in terms of corporate responsibility, which includes its environmental information, with employees via in-house channels (intranet, posters, events, etc.) and external channels (Business and Sustainable Development report, website, etc.). The holding of sustainable development awards (including an environmental category) or the listing of eco-innovative projects form part of this awareness raising project.

Commitments 2020

In 2013 the Group set four ambitious targets to be met by 2020:

- 20% less energy consumption by electrical goods (base year: 2013);
- 20% less energy consumption by production plants (base year: 2011);
- at least 20% recycled materials in new products (base year: 2013);
- 20% less greenhouse gas emissions from transporting products (per unit transported) (base year: 2013).

Eco-design of products

Groupe SEB is pursuing an eco-design approach, which seeks to reduce the environmental footprint of products. It has carried out an in-depth revision of its eco-design guidelines to incorporate all stages of the life cycle of products and their packaging, from extraction of raw materials, through manufacturing, transport, use to end-of-life. The new guide, completed in 2013, offers more comprehensive and operationally applicable guidance than the old version. It is structured around the Group's eco-design priorities: energy efficiency, recyclability, repairability, use of recycled materials and bio-sourced polymers, reduction of carbon footprint during transport, etc. For each priority the guide sets out the Group's ambitions and defines performance levels based on measurable criteria. Eco-design is embedded within the product design process and will allow project teams to select the appropriate performance level for each new product based on the specifications. The guide will be a key tool in meeting the 2020 environmental targets.

Consumption of resources

(ISO 14001 certified entities)

The Supor (China) and St Petersburg (Russia) sites were certified in 2012 and included for the first time in 2013 consolidated data. Data for Canonsburg (USA) were included as from 2012.

DIRECT RAW MATERIALS

(in metric tonnes)	2013	2012	2011
Total consumption of metals	163,645	77,965	85,962
of which motors	*27,853*	*24,556*	*30,111*
Total consumption of plastics	69,900	46,500	48,100
Total consumption of packaging	80,300	29,012	31,331

The rise in consumption of direct raw materials is due to the change of scope in 2013.

INDIRECT RAW MATERIALS

	2013		2012	2011
	World excluding Supor	World	World excluding Supor	World excluding Supor
Total consumption of natural gas *(in GWh)*	174.6	223.2	170.9 *	148.3
Total consumption of liquefied gas *(in metric tonnes)*	756.2	1,666.1	769.0 *	818.1
Total consumption of electricity *(in GWh)*	162.2	348.0	163.3 *	158.7
Total consumption of water *(in thousands of m³)*	1,128.0	3,468.0	1,021.1 *	998.0
Total consumption of fuel oil, excluding fuel *(in m³)*	32.9	32.9	31.2	31.8

* *Actualised data correcting counting errors.*

At constant scope (i.e. excluding Supor China and Saint Petersburg), natural gas consumption rose 2.2% reflecting rising production volumes (+3.8%). Changes in the use of liquefied gas (-1.7%, 12.8 metric tonnes) and non-fuel fuel-oil (+5.2%, 1.6 m^3) were not significantl due to the small volumes concerned. Incidents affecting the water supply and a rise in activity by the heaviest users led to an increase in water usage (+10.3%). Electricity consumption fell slightly (-0.9%).

In 2013, a finished product manufactured in a Groupe SEB plant (excluding Supor plants) required, on average, 1.92 kWh of natural gas, 1.79 kWh of electricity and 12.42 litres of water. At constant scope, the figures were 1.97 kWh of natural gas, 1.83 kWh of electricity and 12.73 litres of water, against 2.00 kWh, 1.91 kWh and 11.97 litres, respectively, in 2012.

In 2013, the electrical products developed by Groupe SEB consumed an average of 0.43 W in stand-by mode (0.55 W in 2012).

The majority of water used by the Group's industrial sites is related to the production of cookware.

In general, Groupe SEB takes environmental considerations into account in its industrial processes evolution. An example of this is the preparation of the aluminium disks for coating purposes when manufacturing pans and pots.

At its Rumilly site in France the Group implemented a mechanical treatment (brushing) that requires little water and abrasive, to partially replace the chemical treatment that it previously used. This process is just as effective, but is more economical and environmentally friendly and compatible with a wider variety of aluminium. The São Bernardo do Campo plant in Brazil applied the process in 2013, successfully reducing its water consumption.

An Energy Club, renamed Commodity Team Energy with a view to future internationalisation, was launched in 2011 by the Purchasing department in association with the Sustainable Development and Quality departments, as well as the Building and Energy managers at the Group's sites.

Its purpose is to promote best practices for energy conservation (processes and buildings) throughout the Group and to encourage networking among managers during quarterly meetings dealing with the following subjects:

- defining best practices regarding utilities management and performance;
- deciding the indicators to be used to monitor performance;
- identifying areas of improvement for each site;
- sharing experiences from the sites.

LAND USE

Land use is not a concern of the Groupe SEB, given its business activities.

Greenhouse gas emissions

Groupe SEB's sites and activities are not directly impacted by climate change given the nature of its current facilities. The Group is nevertheless careful not to contribute to worsening conditions and measures its greenhouse gas emissions related to production and transport of its products.

With regard to volatile organic compounds (VOCs), Groupe SEB regularly tests its emissions (which are relatively small in terms of volume) in order to treat and control these emissions. The Group has made significant capital expenditure, totalling several million euros, to improve the sites most concerned by VOCs. These investments aimed to treat emissions as well as to overhaul processes in order to eliminate VOCs entirely.

PRODUCTION

(ISO 14001 certified entities)

	2013		2012	2011
(in metric tonnes of CO_2 equivalent)	World excluding Supor	World	World excluding Supor	World excluding Supor
Greenhouse gas emissions	64,257	231,155	62,621 *	54,844

* *Actualised data correcting counting errors.*

The Supor (China) and St Petersburg (Russia) sites were certified in 2012 and included for the first time in 2013 consolidated data. Data for Canonsburg (USA) were included as from 2012.

Since 2011, this indicator covers direct greenhouse gas emissions ("scope one") generated through the burning of fossil fuels, as well as indirect emissions stemming from the electricity purchased ("scope two").

These scopes were calculated based on the financial control approach. The emission factors used in this calculation were taken from the French Environment and Energy Management Agency's emissions factor guide for carbon footprint assessments (version 6.1).

The gradual integration of newly ISO 14001 certified sites explains the rise in direct and indirect GHG emissions in the World scope.

ECO-LOGISTICS

(Worldwide)

(in metric tonnes of CO_2 equivalent)	2013	2012	2011
Average value of greenhouse gas emissions	252,840	216,551	250,325

Groupe SEB's Supply Chain department oversees the Group's eco-logistics policy and strategy. It coordinates all actions, in France and internationally, and consolidates annual data using the Tennaxia sustainable development reporting system, through two channels:

- the Export Logistics department, which liaises with transporters (inserting social and environmental clauses into Purchasing contracts, requesting CO_2 and alternative transport reports each month, checking ISO 14001 certification and/or setting up sustainable development systems within the company, etc.) and encourages the use of alternatives to road transport to cut the Group's CO_2 emissions from product transport;
- Logistics, Markets and Plant Managers, who report on physical flow of goods entering and leaving their entity, for a given scope.

In order to limit the environmental impacts of transport associated with the manufacture and sale of its products, Groupe SEB launched its first audit of greenhouse gas (GHG) emissions from transport logistics, making it possible to calculate the carbon footprint of an individual product. The carbon footprint from a product includes all greenhouse gases emitted during its transport, and transport of its constituent components and raw materials. The transport flows consist of:

- transport of components and raw materials between tier 1 suppliers and the manufacturing site if this belongs to Groupe SEB;
- transport of finished products between tier 1 suppliers and warehouses of Groupe SEB subsidiaries;
- transport of the finished product between its manufacturing site and the subsidiary's warehouse;
- distribution from the subsidiary's warehouse to the clients delivery address.

All modes of transport are included: road, rail, sea, waterways and air.

Each year, a new audit is carried out and the Supply Chain department seeks to expand the calculation scope for CO_2 emissions to cover new countries. Work done in 2013 will be extended in 2014, notably by calculating CO_2 emissions from the transport of products between Group warehouses and distributors. Training sessions in reporting methodology and system have been held by e-training using the new instant communication Lync system. The proportion of data derived by extrapolation should therefore be smaller in 2014.

In 2013, data on distribution flows in countries such as Russia and Colombia were collected rather than being extrapolated. 70% of these flows are now extrapolated, compared to 82% in previous years. The result of these changes has been a big apparent jump in GHG emissions from transport (+16.7 on 2012). Extrapolations had been based on French data only and the distances travelled in France were, for obvious reasons, smaller than those in vast countries such as Russia. The Group's global average is actually close to that of France, but the gradual addition of certain countries may create short-term changes in the extrapolation base. Finally, the growth in Supor sales is also affecting the new audit results for 2013, which rises to 252,840 tonnes of CO_2 equivalent on a world scope, excluding Maharaja Whiteline. The audit was based on 64% collected data and 36% extrapolation.

To improve the carbon footprint of its logistics activities, Groupe SEB is focusing on increasing the loading rate of transport units (lorries or containers) and developing new modes of low-impact transport as alternatives to road transport (water transport, rail, etc.). In France, for instance, 90% of logistics flows between the port of Fos and the Lyon region went by waterway in 2013. The optimisation of packaging size is another major way to increase loading rates. The EffyPACK project (PACKaging System for Supply Chain EFFiciencY) seeks to incorporate logistics constraints (pallet and transport mode optimisation) from stage one of the product and packaging development process. This should improve loading rates for transport units and help reduce CO_2 emissions. It is not just the product that determines the size of packaging but the loading rate of the transport method. EffyPACK was rolled out at 11 sites, the Group's biggest, in France, China and Brazil. Products manufactured or sourced and managed by these sites account for 80% of Groupe SEB's sales. Palletisation software, currently being introduced, should help optimise packaging and allow immediate visualisation of the loading ratio and number of products by container based on the dimensions selected. The aim is to cut GHG emissions from product transport (per product transported) by 20% by 2020.

As for alternative modes of transport, in France raw materials, components and finished products were carried 40% by road, 16% by barge and 44% by train.

Waste

(ISO 14001 certified entities, excluding Supor)

	2013	2012	2011
Non-hazardous waste (NHW) *(in metric tonnes)*	15,851	14,460	12,002
NHW recycled * *(in %)*	77.6	80.8	82.8
NHW recovered for energy * *(in %)*	9.2	7.6	7.4
Production of hazardous waste (HW) – excluding waste oil, effluent and sludge *(in metric tonnes)*	1,169	1,202	1,202
Sludge produced by internal wastewater treatment plants *(in metric tonnes)*	4,266	4,022	3,876

* *Excluding metals and sludge.*

The St Petersburg (Russia) site was certified in 2012 and included for the first time in 2013 consolidated data. Data for Canonsburg (USA) were included as from 2012.

One of Groupe SEB's main objectives is to reduce the environmental impact of its products through their entire life cycle. Thanks to its eco-design guidelines and responsible innovation policy, the Group tends to market products with high potential recyclability. To this end, it gives preference to materials that can be recycled and seeks to reduce the number of different materials used in its products to facilitate sorting. It also prioritises easy disassembly and, since a repaired product creates less waste than a replaced product, it works to make its devices repairable to increase their useful life. At the same time, the Group is using more and more recycled materials in its products. For instance, Tefal's Enjoy spatulas are made of 95% recycled PET plastic, and its Natura cookware range is made of 100% recycled aluminium.

The Group's product objectives in terms of recyclability, inspired by those set out in the European Directive on Waste Electrical and Electronic Equipment (WEEE) of 13 August 2005 (50% recyclable and an additional 20% reusable for small household equipment) have already been exceeded, with the average potential recyclability for new product families designed in 2013 at nearly 78%, excluding cooking products.

In terms of hazardous waste (sensitive waste requiring special treatment), Groupe SEB complies with the regulations in effect and disposes of it through the appropriate channels. Groupe SEB's goal for non-hazardous waste focuses on recycling and recovery. In 2013, 77.6% of the Group's non-hazardous waste was thus treated in recycling systems and 9.2% was used to produce energy. The Group also kept track of its metal waste and WEEE [1] from production waste, which amounted to 7,850 and 199 metric tonnes, respectively, for this year.

(1) Waste Electrical and Electronic Equipment.

Discharge into water

(ISO 14001 certified entities)

Chemical Oxygen Demand (COD) represents the amount of oxygen necessary to oxidise the organic matter and mineral content in a body of water. It is used to measure the degree of organic and chemical pollution of the water. In 2013, Groupe SEB discharged 110 metric tonnes of COD from its own wastewater treatment plants.

Noise and other disturbances

At many sites, management of noise pollution must comply with regulations and any complaints in this regard must be managed in accordance with ISO 14001. Therefore, all certified sites have procedures in place to deal with complaints relating to noise. Furthermore, noise pollution, light pollution and odours from the Group's sites are insignificant given its operations.

Biodiversity

Risk prevention is integral to the ISO 14001 certification process in order to preserve the ecological balance surrounding the sites. The sites define the procedure to be followed in the event of an incident and implement preventative measures, such as water reservoirs for extinguishing fires and pipe cut-off systems. Many sites feature retention systems underneath the tooling to prevent pollution from accidental spills.

Certain plants have also launched local initiatives, especially in France, to promote biodiversity. The Is-sur-Tille site has created a flower meadow and installed a nesting tower for swallows.

ISO 14001 certification

(Worldwide)

	2013	2012	2011
Number of certifiable entities	*38*	*38*	*35*
Entities holding ISO 14001 certification [(a)]	89.5%	84.2%	74.3%

(a) Based on industrial and logistics entities at the end of the year concerned (including the Group's head office).

The Copacabana and Rionegro (Imusa Colombia) sites were certified for the first time in 2013. Excluding Asia Fan and Maharaja Whiteline, 94.4% of the Group's industrial and logistics entities are ISO 14001 certified. The target is to reach 100% by the end of 2015, excluding Maharaja Whiteline.

3.7. REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED CORPORATE SOCIAL RESPONSIBILITY INFORMATION PRESENTED IN THE MANAGEMENT REPORT

FOR YEAR ENDED DECEMBER 31ST, 2013

To the shareholders,

In our capacity as Statutory Auditor of SEB S.A., appointed as an independent third party whose certification request has been approved by COFRAC, we hereby report to you on the consolidated Corporate Social Responsibility information for the year ended December 31st, 2013, presented in the management report (hereinafter the «CSR Information»), in accordance with Article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the company

The Board is responsible for preparing the company's management report including CSR Information in accordance with the provisions of Article R.225-105-1 of the French Commercial Code and with the guidelines used by the company (hereinafter the «Guidelines»), summarised in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French code of ethics governing the audit profession and the provisions of Article L.822-11 of the French Commercial Code. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional auditing standards and applicable legal and regulatory texts.

Responsibility of the Statutory Auditors

On the basis of our work, it is our responsibility to:

- certify that the required CSR Information is presented in the management report or, in the event that any CSR Information is not presented, that an explanation is provided in accordance with the third paragraph of Article R.225-105 of the French Commercial Code (Statement of completeness of CSR Information);
- express limited assurance that the CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Reasoned opinion on the fairness of the CSR Information).

Our work was carried out by a team of five people between September, 2013 and March, 2014 and took around 25 weeks. We were assisted in our work by our specialists in corporate social responsibility.

We performed our work in accordance with the professional auditing standards applicable in France, with the decree of 13 May 2013 determining the conditions in which the independent third party performs its engagement and for the reasoned opinion on fairness, with ISAE 3000[1].

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

1. STATEMENT OF COMPLETENESS OF CSR INFORMATION

We conducted interviews with the relevant heads of department to familiarise ourselves with sustainable development policy, according to the impact of the company's activity on employee relations and the environment, of its social commitments and any action or programmes related thereto.

We compared the CSR Information presented in the management report with the list provided for by Article R.225-105-1 of the French Commercial Code.

For any consolidated Information that was not disclosed, we verified that the explanations provided complied with the provisions of Article R.225-105, paragraph 3 of the French Commercial Code.

We ensured that the CSR Information covers the scope of consolidation, i.e., the company, its subsidiaries as defined by Article L.233-1 and the entities it controls as defined by Article L.233-3 of the French Commercial Code within the limitations set out in the methodological note in paragraph 3.3 of the management report.

Based on this work and given the limitations mentioned above, we attest to the completeness of the required CSR Information in the management report.

2. REASONED OPINION ON THE FAIRNESS OF THE CSR INFORMATION

Nature and scope of our work

We conducted around 80 interviews with those responsible for preparing the CSR Information in the departments charged with collecting the information and, where appropriate, the people responsible for the internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in the light of their relevance, completeness, reliability, impartiality and comprehensibility, and taking good market practice into account when necessary;
- verify the implementation of a data-collection, compilation, processing and control procedure that is designed to produce CSR Information that is exhaustive and consistent, and familiarise ourselves with the internal control and risk management procedures involved in preparing the CRS Information.

We determined the nature and scope of our tests and controls according to the nature and importance of the CSR Information in the light of the nature of the company, the social and environmental challenges of its activities, its sustainable development policy and good market practice.

With regard to the CSR Information that we considered to be the most important (precised in appendix):

- at parent entity level, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), we followed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data and we verified their consistency and concordance with the other information in the management report;
- at the level of a representative sample of entities and sites selected by us[1] by activity, contribution to the consolidated indicators, location and risk analysis, we conducted interviews to ensure that procedures are followed correctly and to identify any undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations made and reconcile the data with the supporting documents. The selected sample represents between 18% and 50% of quantitative social information, 46% of the corporate sponsorship spending and between 5% and 60% of quantitative environmental data.

For the other consolidated CSR information, we assessed consistency based on our understanding of the company.

We also assessed the relevance of explanations given for any information that was not disclosed, either in whole or in part in the light of good professional standards set out in the Global Reporting Initiative.

We believe that the sampling methods and sample sizes used, based on our professional judgement, allow us to express limited assurance; a higher level of assurance would have required us to carry out more extensive work. Because of the use of sampling techniques and other limitations intrinsic to the operation of any information and internal control system, we cannot completely rule out the possibility that a material irregularity has not been detected.

As for the information on the volume of waste produced, we found out that Group procedures were applied in diverse ways on site and that this could have a significant impact on the reliability of the published information.

Conclusion

Based on our work and subject to the abovementioned qualification, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Guidelines.

French original signed by:
Neuilly-sur-Seine, 18 March 2014

One of the Statutory Auditors	Partner
PricewaterhouseCoopers Audit	**Corporate Social Responsibility Department**
Nicolas Brunetaud	Sylvain Lambert

(1) *The entities and sites selected are: Shaoxing (Supor), Wuhan (Supor), ALL CLAD Canonsburg, GS USA Millville, GSM Mayenne, SEB Selongey, GSM Saint Lô and Tefal Tournus.*

Appendix: List of CSR Information that we considered to be the most important

Social performance indicators:

- Total workforce and breakdown by gender and geographical region, including indicators of changes in employees by geographical region, breakdown by type of contract (excluding trainees) and breakdown of men/women by category
- Hires and redundancies
- Absenteeism, including absenteeism rate
- Organisation of social dialogue, including an indicator of collective agreements
- Workplace health and safety conditions
- Workplace accidents, in particular their frequency and severity
- Training policies, including an indicator of the number of staff trained (men and women)
- Number of training hours
- Respect for freedom of association and the right to collective bargaining
- Elimination of discrimination in employment and occupation
- Elimination of forced labour.

Corporate responsibility indicators:

- Corporate partnership or philanthropic actions, including an indicator of total corporate philanthropic expenses
- Inclusion of social and environmental criteria in the purchasing policy
- Extent of sub-contracting and consideration of the corporate responsibility of suppliers and contractors in dealings with them
- Measures taken in favour of consumer health and safety.

Environmental performance indicators:

- Company organisation to address environmental issues
- Resources allocated to prevent environmental risks and pollution
- Measures to prevent, reduce or remedy emissions into the air, water or soil that seriously affect the environment
- Water consumption and supply according to local constraints, including an indicator of total water consumption
- Measures to prevent, recycle and dispose of waste, including indicators of non-hazardous waste (NHW), percentage of NHW recycled, percentage of NHW recovered for energy, production of hazardous waste (excluding waste oil, effluent and sludge) and sludge produced by internal purification plants
- Energy consumption, measures taken to improve energy efficiency and use of renewable energy, including an indicator of total electricity consumption, total natural gas consumption; total consumption of liquefied gas, and total consumption of non-fuel fuel-oil
- Greenhouse gas emissions (production and eco-logistics).

4

COMMENTARY ON THE FINANCIAL YEAR

4.1. 2013 HIGHLIGHTS

General environment

Macroeconomic conditions in 2013 remained strained and uneven. The European economy stabilised after an especially troublesome 2012, but did not find its way back to growth. The United States, by contrast, showed some recovery, benefiting to household spending. In South America, where general environment remained favourable but bumpy, demand was volatile, particularly in Brazil. Demand in China, on the other hand, was on the right track, with sustained growth, although at a slower pace than in 2010-2011. In Russia, all business activity hit a sharp, pronounced slowdown in the summer after three years of uninterrupted rapid expansion. In fact, several emerging countries were impacted by the current economic stresses, along with social and political unrest of varying proportions (in Brazil, Turkey, Egypt, Thailand, etc.). In this uncertain and complicated climate, the massive depreciation of several currencies against the euro, especially since the summer, has been a destabilising factor for markets, as well as a challenge in terms of competitiveness for a good many international companies.

In this environment, the market for Small Domestic Equipment, although affected by these stresses and strains, remained positive. It was bolstered both by product replacements and upgrades in mature markets, thanks to product innovation, and by the adoption of appliances by a fast-rising middle class in new economies. Performance in the sector, however, varied by product category: strong dynamic in food and beverage preparation, home care (vacuum cleaners), fans (favourable weather) or cookware, whereas linen care and electrical cooking declined flat. As in 2012, the market was highly competitive and promotion-driven, a trend amplified by the distribution industry, due to a price war waged at the retail level. The uncertainty surrounding the entire year, incidentally, caused many distributors to manage their inventories very cautiously, while holding their suppliers to tight delivery times.

Lastly, the transformation of the retail sector continued, and at a faster pace with: the rapid development of online commerce, development of the “Drive” phenomenon in France, the decline of hypermarkets, the continued growth of specialty stores. Taken together, these changes brought about a few defaults and store closings, but no major business failures in 2013. The Group did not undergo losses thanks to a judiciously managed commercial policy and high credit insurance levels.

Currencies

Exchange rates continued to fluctuate wildly as in previous years. 2013 was marked by the decline of many currencies versus the euro, in some cases very sharply. The changes cited below are based on average exchange rates for 2013 as compared to 2012. The Japanese yen plummeted -20.8% against the euro following actions taken especially by the Central Bank of Japan intended to boost the country’s exports. This drop presented only a minor challenge to the Group in 2013, however, inasmuch as hedges placed in 2012 offered nearly complete protection against it. In addition, the downward trend that had already been seen for several months in certain currencies like the Brazilian real abruptly became worse and more widespread over the summer months, prompting a decline in nearly all emerging-market currencies, following the first announcements from the U.S. Federal Reserve signalling a reduction in asset-buying. This is what happened, for example, to the Russian ruble (down -5.7% against the euro), the Turkish lira (down -8.6%), the Brazilian real (down -12.6%), the Ukrainian hryvnia (down -4.0%) and the Hungarian forint (down -2.6%). The decline was not limited to emerging market currencies. The US dollar depreciated 3.2%, the pound sterling 4.5%, the Canadian dollar 6.1% and so on. The Chinese yuan levelled off in 2013 (down -0.7%) after several years of appreciation.

These changes, which mostly occurred in the second half of 2013, resulted in a negative effect on sales of -€116 million, recognised almost entirely (-€106 million) in the second half-year, versus a positive effect in 2012 of €114 million and a negative impact in 2011 of -€26 million. This trend also hurt profitability, with a -€35 million impact on operating result from activity. The dollar’s decline slightly mitigated this impact but did not offset it, as the Group buys more than its sells in this currency. Therefore, in the second half of 2013, the Group began to take such corrective actions as price increases and strict cost controls, aimed at lessening the impact of foreign exchange on profitability in the countries concerned.

Raw materials

The Group's business is exposed to fluctuations in the price of certain raw materials, including metals such as aluminium, nickel (used in stainless steel) and copper. It is also exposed to price changes in plastics used in the design of small domestic appliances. These exposures are direct, or indirect if the manufacturing of the product is outsourced to subcontractors. Over the course of the past few years, raw materials prices have experienced great volatility: a jump up in 2007, then a collapse with the financial crisis of 2009, a quick recovery based on economic stimulus plans, and back to a downward trend since mid-2011. In 2013, raw materials prices came out lower, particularly metals. With global demand flagging (lack of economic growth in Europe, slowdown in China, pressures on several emerging markets, etc.) raw materials saw prices decline throughout the year. On average, in 2013, commodities hovered around levels lower than in 2012.

The price of aluminium fell by almost 9% in 2013 with an average price of \$1,845 per tonne (\$2,020 in 2012). The price of copper followed the same path (down -9%) with an average price of \$7,325 per tonne, versus \$8,065 in 2012. Lastly, nickel also experienced a significant drop in 2013 (-11%) with an average price of \$15,245 per tonne (\$17,160 in 2012). The market prices of the principal metals used by the Group ended the reporting period near their yearly lows. It should be recalled, nonetheless, that in order to smooth out the effect of these variations, the Group has implemented a hedging policy for twelve rolling months for a significant portion of its metal needs.

Plastics remained generally stable in 2013, as they did in 2012. It should be noted that the Group purchases mainly pre-manufactured plastic parts, which means that these fluctuations have less of an effect on its purchasing prices.

The prices of outsourced finished goods stabilised despite wage inflation in China, owing to a broad-scale drop in raw materials, purchasing terms negotiated and suppliers' productivity gains. The Group's index of purchased finished goods for 2013 therefore was unchanged from 2012.

Given the stable Brent prices, maritime transport costs rose by 5% to 15% depending on the line, after steep declines in shipping rates in 2012.

Creation of Groupe SEB Egypt for household appliances

During Q1 2013, Groupe SEB created a joint venture, 75%-owned by Groupe SEB, with Egypt's Zahran industrial group, which is a market leader in Egypt's small domestic equipment markets and was previously the Group's leading cookware retailer. Groupe SEB Egypt for Household Appliances marks Groupe SEB's first direct facilities in Africa, and is intended to boost the Group's sales in this country, which were previously made indirectly through retailers. Operational since March, the joint venture was fully consolidated but had limited impact on the financial statements for 2013.

Fonds Stratégique de Participations acquires stake in SEB S.A.

In June, the French investment fund Fonds Stratégique de Participations (FSP) acquired a 5.25% stake in SEB S.A. This transaction was one of FSP's first investments. It was carried out on a friendly basis in full agreement with the Group's Board of Directors and Management and is intended to be a long-term holding. In this way, FSP has demonstrated both its confidence in the Group's growth and its willingness to support its development.

As part of this long-term investment policy, FSP will be represented on SEB S.A.'s Board of Directors by an independent director. At its meeting on 25 February 2014, the SEB S.A. Board of Directors, upon the recommendation of the Nominations and Remuneration Committee (NRC), voted FSP onto the Board and welcomed their permanent representative, Ms. Catherine Pourre. At the recommendation of the NRC, the Board considers FSP as an independent director. In addition, the Board named Ms. Pourre to the Audit Committee, which she will chair, replacing Philippe Lenain, who, after chairing the Committee for 14 years, expressed the wish to end his term in office. This appointment will be submitted for ratification at the next SEB S.A. General Meeting on 15 May 2014.

Appointments to the board of directors and executive committee

On 14 May 2013, the Annual General Meeting of SEB S.A. approved the appointments of Ms Laure Thomas and Ms Sarah Chauleur as directors representing the Founder Group for a four year term and Ms Yseulys Costes as an Independent director. It also renewed the FFP company's tenure as director on the Board of Directors; FFP is represented by Mr Christian Peugeot.

On 1 June 2013, the Group announced the appointment of Vincent Léonard as Senior Executive Vice-president, Finance. He joined the Groupe SEB Executive Committee in March. He succeeds Jean-Pierre Lac who retired on this date after holding this position within the Group for 12 years.

Awards for Groupe SEB

In 2013, Groupe SEB received a wide variety of distinctions:

- on 25 November 2013, the Group won the 7th Annual Finance Competition held by the Lyons Chamber of Commerce and Industry. The award was for a project implementing a global e-learning application to improve financial and non-financial users' command of the management tool. Given by the Rhône Alpes Auvergne chapter of the Association Nationale des Directeurs Financiers et Contrôleurs de Gestion (DFCG), the Award recognises the exciting and innovative work being done in the region to implement highly effective management concepts and tools. It singles out the Financial Director or Controller of a business in the region for the appropriateness of his or her management methods and the results they achieved;
- in 2013, the Group received the silver medal for the best investor relations in the sustainable development category (after the gold in 2009 and silvers in 2010 and 2012 in all categories combined.) These awards are given out based on responses to a questionnaire sent to a selection of French analysts and portfolio managers who are members of the French Society of Financial Analysts (SFAF). The questionnaire covers criteria such as clarity, transparency, availability and responsiveness;
- the Group's employability policy was recognised once again. On 5 February 2013, the Group received the "Jobs and Human Development" award for its employability policy. This award, supported by the Ministry of Industrial Renewal, is intended to honour the best initiatives taken by manufacturers of mass consumption products in the area of Corporate Social Responsibility (CSR). A jury of experts in environmental, societal and consumer products issues named the best initiatives in six different areas, such as energy conservation or social action.

4.2. COMMENTARY ON CONSOLIDATED SALES

Sales *(in € millions)*	2013	2012	Change *(based on exact figures, not rounded)* Reported	Like-for-like
France	666	688	-3.3%	-3.3%
Other Western European countries	821	759	+8.2%	+8.8%
North America	468	457	+2.3%	+5.6%
South America	426	451	-5.5%	+6.5%
Asia-Pacific	1,087	992	+9.6%	+11.4%
Central Europe, Russia and other countries	693	713	-2.7%	+0.7%
TOTAL	**4,161**	**4,060**	**+2.5%**	**+5.4%**

Sales *(in € millions)*	4th qrtr. 2013	4th qrtr. 2012	Change *(based on exact figures, not rounded)* Reported	Like-for-like
France	252	250	+0.4%	+0.4%
Other Western European countries	305	280	+8.9%	+9.7%
North America	149	148	+1.0%	+6.9%
South America	119	137	-12.7%	+0.1%
Asia-Pacific	296	278	+6.6%	+13.7%
Central Europe, Russia and other countries	207	230	-9.8%	-3.9%
TOTAL	**1,328**	**1,323**	**+0.4%**	**+5.1%**

The strained and uncertain overall economic environment that prevailed throughout 2013 affected consumer spending in many countries. Demand was fragile or volatile, markets were highly competitive and promotion driven, and retailers drew down or tightly managed their inventories. The small domestic equipment segment, though inherently resilient, was impacted by volatile or sluggish demand and performed unevenly across geographies as well as product categories.

With €4,161 million in 2013 sales, Groupe SEB's reported growth stood at 2.5%, while organic growth was 5.4%. This solid organic growth rate, driven by volume, reflects in particular a net rebound in business in the second half, to +7.1% after a first-half at +3.1%.

Organic growth in sales by quarter in 2011, 2012 and 2013

As in 2012, demand varied from one country to another in 2013. On one hand, growth was driven by Europe, the Americas and Asia-Pacific, with a very strong momentum in China. On the other hand, revenue was down in France, due mainly to the non-renewal of a major loyalty program with a retailer. Sales declined in Turkey and have slowed substantially in Russia since last summer, in an environment shaped by sluggish consumer spending. In this contrasted environment, Group revenue rose by 4% in mature markets (which accounted for 54% of 2013 revenue) and by 7% in emerging economies (46% of the total).

Sales were heavily impacted by a negative -€116 million foreign exchange effect (-€106 million of which was from the second half), in marked contrast with the positive one recorded in 2012 of +€114 million. This effect was due to the drop in most of the Group's functional currencies against the euro.

Product sales performance

The Group relies on a product thrust driven by new concepts, the introduction of new functional features, fresh designs, opening up new categories, the geographical expansion of certain ranges, etc. Among these innovations, a few products have been the locomotives pulling the whole product range. In addition, the Group capitalised on its flagship products, striving to transform them into product categories by conducting an in-depth work to exploit all possible applications and thereby create a product family.

The Group's product dynamic once again held strong in 2013, and it covered an enlarged worldwide reach, with products specifically designed for certain markets.

The various product categories contributed to the Group's performance as described below:

- **home comfort** grew strongly thanks to the fans driven by the Turbo Silencio range in Brazil and new advances in ceiling fans, a market that accounts for approximately one quarter of fan sales in Brazil and where the Group had no presence at all two years ago. Colombia and Asia also saw growth in this category. The Group's air treatment business pursued its gradual development;
- **home care** showed solid sales growth. Bagless vacuum cleaners continued their strong growth thanks to the introduction of the Xtrem Power Cyclonic and the roll-out of the Compact Force Cyclonic. Upright vacuums continued on their upward trend thanks to their deployment in Japan and Korea. 2013 was also highlighted by the Group's entry into the robot vacuum cleaner segment;
- **food preparation** grew in 2013. The business enjoyed high growth in large food processors and blenders, two products that fit nicely into the current major trends toward home-made and healthy food, which has been driving the global food preparation appliance market for several years. The Group now has a presence in the cooking food processor category with the promising introduction in France of the Cuisine Companion late last year;
- **linen care** saw a slight growth in sales from 2012 in a global market in decline. Steam irons rose, particularly in the United States, Germany and Mexico, and benefited from the continued success of the FreeMove cordless iron. Steam generator sales rose slightly due to the expansion of this category in Russia and the advertising campaigns produced in Germany capitalising on the very good results obtained for two years in Germany's leading product comparison, the Stiftung Warentest;
- **the personal care** business increased sales slightly in 2013. In hair care, despite the success of the Silence hair dryer range, the business ended slightly in decline with a drop in straighteners, though clippers continued to grow in a dynamic market. Steampod, the professional straightener designed in partnership with L'Oréal, continued to grow and made a positive contribution to the business' sales. Depilation stayed even with 2012 and benefited from the success of SoftExtrême;
- **cookware** saw higher sales in 2013, boosted largely by strong growth in China, where Supor continued to gain market share. Fixed-handle frying pans and saucepans grew significantly, primarily from a major loyalty programme with a German distributor toward the end of the year. The Ingenio ranges with removable handles, by contrast, were somewhat softer due to the discontinuation of a similar programme with a French distributor. Sales of pressure cookers fell off, suffering from sluggish demand in the French market and slowing demand in Japan, despite the very good performance of this product in Brazil;
- **electrical cooking** achieved a year of modest growth, with mixed trends product by product. Steam cookers were somewhat out of favour, which held the business back, whilst yoghurt makers also lost sales after several positive years. Conversely, the pressure cooker Cookeo saw a sharp momentum in several countries: France, Spain, Portugal, Russia, Australia and others. Rice cookers enjoyed very high demand, especially in Russia, but also in China, bolstered by several new product launches. With sales in the order of one million items, Actifry strengthened its market positions globally (Canada, United-Kingdom, Thailand, etc.), whilst the Group made new progress with traditional deep fryers in North America;
- **beverage preparation** saw significant sales growth in 2013. In an environment none the less competitive for single-portion coffee, the Group grew in coffee partnerships, sustained largely by Nestlé's marketing efforts on behalf of Dolce Gusto. In full-automatic espresso machines, the Group made new progress, especially by extending its product range, in particular in Germany. In kettles, business grew thanks again to Japan where sales reached record levels, while revenue of drip coffee makers fell further due to the non-recurrence of promotional activities.

Geographical performance

BREAKDOWN OF 2013 BUSINESS ACTIVITY BY GEOGRAPHICAL ZONE

France: a subdued end to the year

In France, the end-of-year holidays failed to lift consumers out of the ambient gloom, and the Christmas sales surge was considerably delayed because shoppers not only deliberately put off their purchases until the last minute, but also tended to wait for pre-Christmas bargains and promotions. The small domestic equipment market echoed the overall trend, but confirmed a return to moderate growth that began in the third quarter, both in cookware and electrical appliances. The uptrend was led by particularly brisk sales of food preparation appliances, vacuum cleaners and personal care products. All in all, after falling short of the very high 2012 comparatives in the first half, the Group turned the situation around. By returning to slight growth in the second half of the year, with sales up 0.9% in the third quarter and 0.4% in the fourth, Groupe SEB was able to limit the decline in annual revenue to just 3.3%. The contraction was largely attributable to a major non-recurring loyalty campaign that had inflated cookware revenue in 2012. Business was stronger in the small electrical appliances segment, where the Group saw very successful sales of food preparation appliances (e.g. kitchen machines, blenders, Soup & Co heating blenders and Infiny Force mixers), handstick vacuum cleaners, Cookeo multicookers and Dolce Gusto pod coffeemakers. In addition, market shares rose to record highs in the ironing segment, helped by strong sales of the Free Move cordless iron, in a nevertheless weakening market. Lastly, the launch of the Cuisine Companion cooking kitchen machine was very well received, with demand greatly outstripping supply.

Other western EU countries: solid momentum

Despite a complex, generally dull macroeconomic environment, in a fluctuating, uneven small domestic equipment market, the Group had an excellent year in other Western EU countries. After a significant slump in 2012, due to the effects of the economic crisis, business benefited from a combination of several more favourable factors in 2013: low prior-year comparatives, an end to the economic downturn in Southern Europe, the launch of major loyalty programs with retailers and a solid product dynamic underpinned by strengthened growth drivers. Revenue was higher in virtually all countries in the region, particularly in Germany, with an excellent second semester, where business was driven, at the end of the year, by a major loyalty campaign set up with a retailer in the cookware segment. Groupe SEB also delivered a very good performance in the United Kingdom throughout the year, achieving significant advances in Ingenio cookware and food preparation appliances, and generating record sales of Actifry fryers. Lastly, 2013 saw very solid growth in Spain, mainly thanks to a Dolce Gusto loyalty operation launched in the first half of the year, and particularly vigorous growth in Portugal. However, sales for the full year were stable in Italy, where demand slowed considerably in the fourth quarter.

North America: a very satisfactory year

In a relatively dynamic overall market environment, the Group enjoyed sustained growth in 2013, with the pace of expansion gathering speed in the fourth quarter. In the United States, where the market trended more favourably while nevertheless remaining intensely competitive, the Group leveraged renewed vigour in the cookware segment, gaining new retail slots for the T-fal brand and enjoying a strong recovery in All-Clad sales in the second half of the year. In electrical appliances, growth was robust in ironing systems, thanks to new advances by Rowenta in the premium steam iron and garment steamer segment and the ongoing deployment of T-fal mid-range product offering in mass-retail. At the same time, the new All-Clad waffle makers and slow-cookers were a hit with consumers and the Optigrill smart grill launched in September generated encouraging initial results. Business was healthy in Mexico, particularly in cookware and linen care, but annual sales were down on 2012 at constant exchange rates due to a non-recurring loyalty program. In Canada, in a solid market, the Group's sales trajectory remained highly positive. A very good overall performance was achieved for the year, along with new market shares gains, thanks to Actifry and other flagship products in the ironing and cookware categories.

Note that Groupe SEB acquired Canada's Coranco on 16 December 2013 with the purpose of obtaining direct control of Lagostina product marketing operations in Canada. Through this acquisition, Groupe SEB significantly strengthens its positions and becomes the unrivalled leader in the cookware market.

South America: sustained growth, but volatile sales

In South America, 2013 was shaped by the ongoing, significant depreciation of the Brazilian real, which led to very large gaps between the year-on-year change in revenue as reported and at constant exchange rates. In Brazil, added to these currency effects, economic uncertainty and social unrest led to erratic demand and mixed performances from one quarter to the next: dynamic start to the year, second quarter penalized by weak sales in June, robust third quarter, end-of-year conditions tighter due to a combination of slower consumer spending and the adverse impact on fan sales of cool weather, in contrast to the very buoyant 2012 season. Nevertheless, organic growth was strong for the year, led by sales of electrical appliances such as the Planetaria kitchen machine, the Dolce Gusto pod coffeemaker, steam irons and new 10kg-capacity semi-automatic washing machines, which more than offset a decline in cookware. In Colombia, the economy remained firm and consumer spending was quite strong. After a soft beginning of the year, Groupe SEB regained a certain degree of momentum along the year, despite the absence of specific commercial operations. Momentum was particularly strong in the linen care segment, while fan sales were also higher and demand improved for pressure cookers as well as for cooking utensils and accessories, leading to market share gains. The Group had a good year in Argentina, shaped by significant organic growth.

Asia-Pacific: a decisive contribution to growth

2013 sales were robust in the heterogeneous mix of markets comprising the Asia-Pacific region, with most countries experiencing increased demand. China was the regional heavyweight and the largest contributor to growth. The Chinese small domestic equipment market picked up after an anaemic 2012, with Supor achieving a very substantial improvement in locally generated revenue to outperform the competition and gain new market share. This energetic performance was attributable to a strong product dynamic, constantly fuelled by innovation and range extension. In cookware, the Thermospot range was expanded with the introduction of new woks and other items, and the launch of stainless steel and Clipso pressure cookers was exceptionally well received by retailers and consumers alike. In small electrical appliances, local best-sellers went from strength to strength and the launch of new products such as round-pot rice cookers and juice extractors helped to enhance the Supor brand's presence on store shelves. At the same time, Supor pursued its geographic expansion into Tier 3 and Tier 4 cities, added many new sales outlets to its network and stepped up development of on-line sales. In Japan, where the steep fall in the yen became a major concern for all market players, the Group achieved another year of organic growth despite an already high basis of comparison in 2012. Anticipating a much more complicated 2014, as no currency hedges are in place, Groupe SEB is taking the necessary measures to limit the effects of the weakening local currency on business and the translation of results into euros. In South Korea, business gradually picked up after a dull first half, helped by the improved economic environment and the upswing in demand. Lastly, Thailand and Malaysia continued to act as very powerful growth drivers throughout the year.

Central Europe, Russia, other countries (Turkey, Middle East, Africa, etc.): stalled demand since the summer

After trending upwards in the first half of 2013, demand in this region suddenly stalled in the summer, mainly due to the abrupt slowdown of the Russian economy on top of the already difficult, tense situation in Turkey. In addition, the significant, persistent decline in several of the region's currencies against the euro led to a serious disruption of the markets concerned. As a result, sales were sharply impacted in the second half of the year, particularly in Russia where, despite forefront positions supported by its rich product offering and established brand equity, the Group had to face a dramatic drop in demand in the second part of the year, along with inventory drawdowns by retailers. In addition to this more challenging environment, Groupe SEB was affected by the non-renewal in the fourth quarter of 2012 loyalty programs. In Central Europe, despite a contraction in Poland in the fourth quarter, annual revenue grew significantly at constant exchange rates, thanks primarily to strong demand for food and beverage preparation appliances, such as automatic espresso machines and kettles, as well as for linen care appliances. In Ukraine, demand was flat until September, when it was lifted by a marketing operation with a retailer and several successful new product launches. In a politically complex, protectionist environment defined by significant promotional activity, the Group's sales were weak in Turkey throughout the year, leading to an erosion of its market shares. In contrast, demand was very robust in the Middle East (Saudi Arabia and the United Arab Emirates) and in Egypt (where business is conducted through a joint venture), resulting in a very good fourth quarter.

4.3. COMMENTARY ON THE CONSOLIDATED RESULTS

Income statement

The results for the Group were at levels close to those of 2012. As expected, the operating result from activity for 2013 is very nearly that of 2012 and came in at €410 million versus €415 million in 2012, down 1.2% despite a negative foreign exchange effect of €35 million. At constant exchange rates, the operating result would be €445 million, a rise of 7.2%.

This change stems from a combination of several factors, positive and negative:

- higher volumes resulting in higher sales in the majority of markets, and particularly in China, Europe and on the American continent. The volume effect on the 2013 operating result from activity amounts to +€66 million, whereas in 2012, this impact was a negative -€21 million;
- a slightly negative price-mix effect of €12 million, as price increases did not offset the impact of promotions in a more competitive environment;
- a €10 million reduction in purchasing costs reflecting very good purchasing cost controls, lower price of raw materials, particularly of metals, and level prices for outsourced products;
- A €34 million increase in expenses due in particular to greater spending on growth drivers (R&D, advertising, marketing, etc.), digital development actions and a temporary increase in overhead costs.

Operating profit amounted to €364 million, down 1% on 2012. This was after discretionary and non-discretionary profit-sharing of €37 million, considerably lower than last year's €48 million. This drop can be attributed to poorer performances in France and the fact that higher level in 2012 included the Group's matching funds for the «Horizons 2012» employee share ownership plan. Other operating income and expense, which was negligeable in 2012, resulted in a net expense of €9 million, including limited realignment costs.

Net financial expense amounted to -€55 million, compared with -€63 million in 2012. This includes financial expenses on the debt in the amount of -€31 million, more or less stable with last year, and including a slight increase in the Group's average financing rate. It also includes other financial expenses, including a €7.5 million provision for impairment of shares concerning the Indian company Maharaja Whiteline following a difficult and disputatious year with our Indian associate. Net financial expense was further penalised by €4 million in foreign exchange losses due primarily to currency movements in Latin America, whereas gain had been recognised in 2012.

Net profit Group share stood at €200 million, versus €194 million in 2012, for an increase of 2.9%. This was calculated after taxes of €87 million, representing a rate of 28.2%, lower than the rate of 30.9% in 2012. This improvement is explained mainly by the change in the geographic mix of the taxation rates. The net profit Group share also included the non-controlling interest in Supor earnings, which amounted to €22 million to be deducted (€17 million in 2012). This figure is significantly higher than in the preceding year due to the improved financial performance of this subsidiary.

Balance sheet

Consolidated equity stood at €1,532 million at 31 December 2013, versus €1,462 million at 31 December 2012, including a contribution from non-controlling interests of €143 million (€130 million at 31 December 2012). This change was the result of a variety of factors:

- €81 million in exchange losses due to the weakening of several of the Group's functional currencies and the impact on the valuation of the share in the net position of subsidiaries;
- the net total profit for the year, amounting to €222 million, less the dividends paid in 2013 for the year 2012, i.e. €74 million (€68 million for 2011).

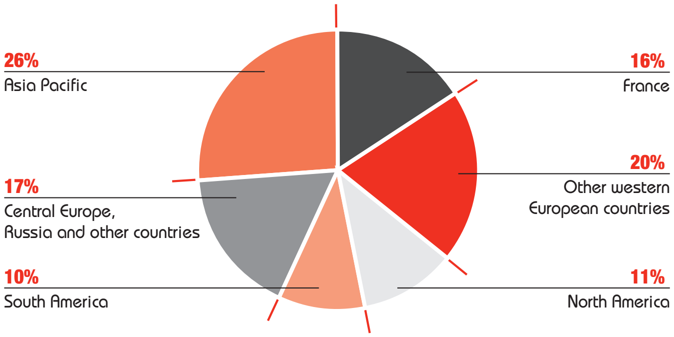
Equity is reported net of treasury stock. At year-end 2013, the Group held 1,412,347 own shares, versus 2,050,102 at year-end 2012. This change arose from the sale of shares upon the exercise of purchase options.

Net debt amounted to €416 million, versus €556 million in late December 2012. This improvement was due to strong operating cash flows in 2013 and the payment of €74 million in dividends. Working capital requirements improved, representing 22.7% of sales at year-end, versus 24.9% one year before. WCR benefited from an improvement in trade receivables and payables and favourable foreign exchange effects.

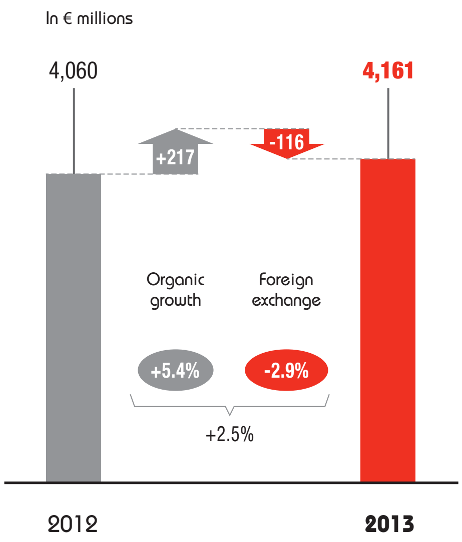
Gearing ratios improved in 2013 compared to the previous year. The ratio of net debt-to-equity equalled 27%, versus 38% at year-end 2012, while the ratio of net debt-to-EBITDA stood at 0.87x versus 1.17 x at year-end 2012. Groupe SEB finished the financial year with an even stronger balance sheet and relies on a solid and diversified financial structure. Further information on the borrowing terms and the funding structure are available in Note 25 to the Consolidated Financial Statements.

2013 capital expenditure totalled €127 million, little changed from 2012 (€128 million). In general, investment was mainly in tangible assets (approx. 70%) with almost equivalent distribution between moulds and tools for new products on one hand, and production equipment (installation of new assembly lines, injection presses, etc.) and/or the renovation of buildings on the other hand. The remaining 30% covered mostly capitalised development costs and production-related computer software linked to the production and to the development of the Group's own retail brand outlets.

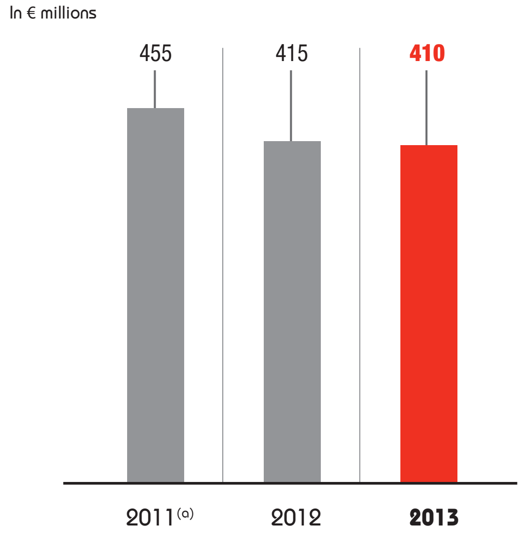
Geographical breakdown of 2013 sales



2012-2013 sales growth

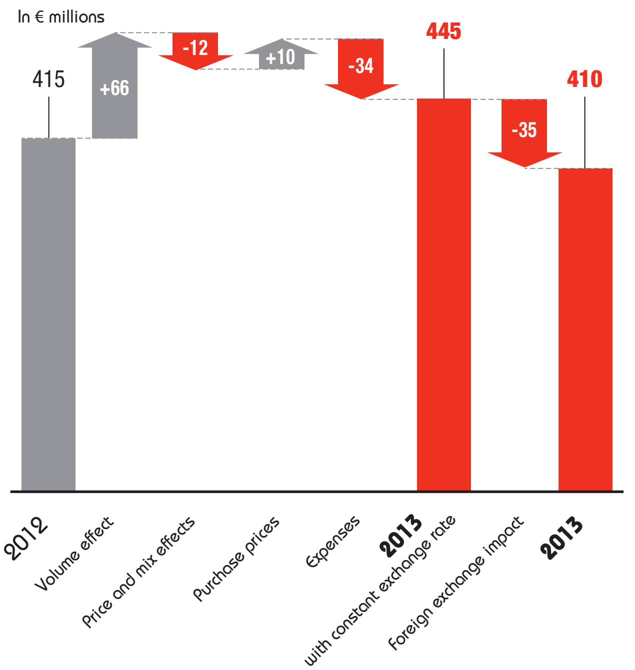


Change in operating result from activity

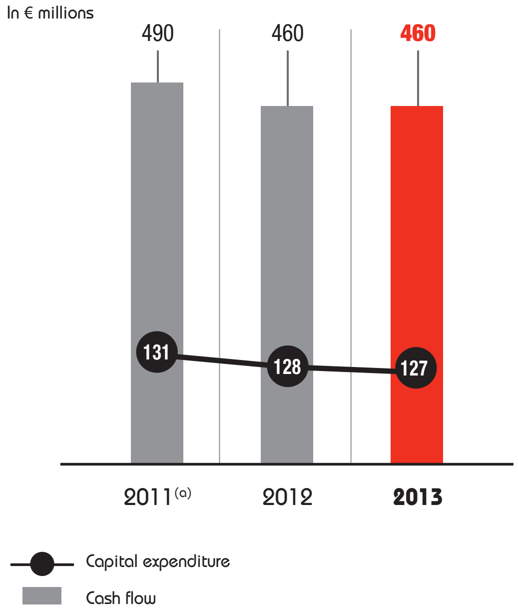


(a) Restated for the effects of applying IAS 19R.

Breakdown of operating result from activity

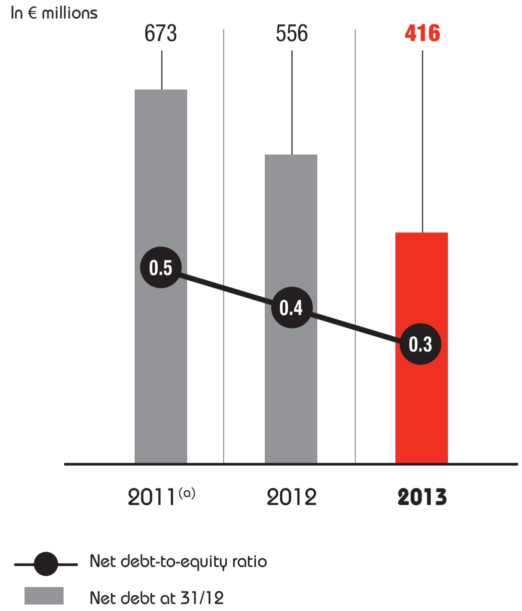


Cash flow and capital expenditure



(a) Restated for the effects of applying IAS 19R.

Net debt and debt ratio



(a) Restated for the effects of applying IAS 19R.

4.4. OUTLOOK

2014 will probably be shaped by a still-contrasted economic environment. The currency-related challenges that adversely affected Group results in 2013 are continuing and appear to be having a much more severe impact this year.

In terms of market demand, for 2014, the Group is forecasting a slightly improved situation in France, buoyed by strong product development and greater marketing and advertising support. For the rest of Europe, however, the Group is taking a more cautious approach given that 2013 was an exceptional year that constitutes a high basis for comparison. The Group expects to enjoy continued positive developments in the Americas, with high demand maintained in North America, reliable growth in Brazil in a volatile market, and sustained sales growth in Colombia. In China, the Group should post solid growth given the upward trend in small domestic appliances there and continue to win market share by maintaining an active product innovation policy sustained by investments in marketing and advertising. In Japan, where an uncertain market has seen price increases and a higher VAT rate as of 1 April 2014, the Group will pursue expansion by gradually broadening its offer and keeping up high levels of capital expenditure. Confronted with a specific currency issue following the fall of the yen in 2013 and the expiration of hedges placed in 2012, the Group instituted a number of targeted actions aiming to defend our profitability without compromising our market positions and long-term development. The Group has greater reservations about Russia, where consumer spending remains very dismal and distributors' inventories, high. In Turkey, in a highly promotional market, and facing keen competition from local players, amplified by protectionist measures (import duties), the Group intends to recapture sales growth from an historically low base.

Although highly competitive and promotion-driven, the worldwide small domestic equipment market is expected to keep on trending favourably overall and generally be responsive to innovation. That's why the Group will maintain a strong product dynamic, and continue to invest in sales, advertising and marketing, while ensuring that its operating efficiency is optimised (reduced number of stock keeping units, continually improved productivity, acceleration of value analysis projects, wider adoption of shared technical platforms and so forth) and its costs are effectively managed.

This firm demand combined with the commitment to pursuing its development with an extensive portfolio of products should enable the Group to generate sustained organic revenue growth in 2014. Given the current exchange rate situation and despite the positive impact of our revenue growth, we will take the necessary and relevant actions to partially absorb the very high currency effect that we anticipate on the operating result from activity. Against this backdrop, the Group aims at ensuring growth in its markets and pursuing to improve operating result from activity at constant exchange rates.

4.5. FINANCIAL REVIEW OF SEB S.A.

SEB S.A., the parent company of Groupe SEB, is a holding company whose activities are largely confined to overseeing the manufacturing and sales activities carried out by its subsidiaries.

As a result, SEB S.A.'s earnings only partly reflect the performance of the Group and year-on-year changes in the Group's performance are not visible at the level of the company's results until the following year, because its revenues consist essentially of dividends received from subsidiaries.

The main items reflected in the company's accounts are as follows:

- income:
  - dividends received from subsidiaries: €158.4 million (€107.7 million in 2012);
- expenses:
  - fees for services provided by SEB Développement, a subsidiary of SEB S.A., totalling €2.8 million (€3.9 million in 2012).

Since 1 January 2005, SEB Développement has taken over the market prospecting, international sales promotion and development, administrative, financial, research, innovation and industrial property services previously supplied by the company to subsidiaries.

The company ended the year with a profit of €153.1 million for the period (€61.3 million in 2012).

Significant events of the year

THE FONDS STRATÉGIQUE DE PARTICIPATIONS ACQUIRES A PORTION OF SEB S.A.'S SHARE CAPITAL.

In June, the French investment fund Fonds Stratégique de Participations (FSP) acquired a 5.25% stake in SEB S.A. This transaction was one of FSP's first investments. It was carried out on a friendly basis in full agreement with the Group's Board of Directors and Management and is intended to be a long-term holding. In this way, FSP has demonstrated both its confidence in the Group's growth and its willingness to support its development.

IMPLEMENTATION OF A NEW LIQUIDITY CONTRACT

The liquidity contract between SEB S.A. and the brokerage firm GILBERT DUPONT SNC was terminated effective as of 30 August 2013. By agreement dated 15 July 2013, SEB S.A. entered into a liquidity contract with NATIXIS to enter into effect on 2 September 2013 for a term of one year, renewable tacitly. The contract concerns the company's ordinary shares, in accordance with the AMAFI Ethics Charter approved by the AMF in its decision dated 8 March 2011.

In order to implement the contract, €3 million was deposited into the liquidity account and will be allocated in shares and cash.

PARTIAL REPAYMENT OF THE FIRST SCHULDSCHEIN PLACEMENT

On 6 August 2013, the company repaid the first tranche of its first Schuldschein placement, for an amount of €114 million. This private placement under German law had been carried out in 2007. The second and third tranches are to be repaid in August 2015.

5

CONSOLIDATED FINANCIAL STATEMENTS

5.1. FINANCIAL SUMMARY

(in € millions)	**2013**	2012	2011 [h]	2010 [h]	2009	2008	2007 [h]	2006 [h]	2005 IFRS [b] [h]	2004 IFRS [a]	2004 [a]
RESULTS											
Sales in France	666	689	705	712	685	668	640	595	591	624	636
Sales outside France	3,495	3,371	3,258	2,940	2,491	2,562	2,230	2,057	1,872	1,665	1,703
Total sales	4,161	4,060	3,963	3,652	3,176	3,230	2,870	2,652	2,463	2,289	2,339
Operating result from activities (formerly Operating margin)	410	415	455	438	355	342	301	262	262	261	248
Operating profit	364	368	402	349	248	279	237	153	183	187	175
Profit attributable to owners of the parent	200	194	236	220	146	152	145	87	102	131	123
Depreciation, amortisation and impairment losses	112	109	115	117	124	110	88	97	114	85	91
Employee benefits expense [c]	737	698	665	627	549	563	540	534	516	499	506
Discretionary and non-discretionary profit sharing and matching contributions to employee savings plans	37	48	44	50	33	38	33	26	29	34	34
EBITDA [d]	475	475	516	468	372	388	329	247	291	270	259
Adjusted EBITDA [g]	485	474	511	488	416	394	351	324	323	310	296
BALANCE SHEET (AT 31 DECEMBER)											
Equity attributable to owners of the parent	1,460	1,395	1,279	1,487	1,169	992	814	770	757	644	642
Net debt	416	556	673	131	243	649	658	422	423	331	331
Non-current assets	1,413	1,434	1,453	1,249	1,163	1,184	1,060	766	773	679	624
Capital expenditure	127	128	131	140	109	116	92	85	99	99	87
Inventories	731	681	702	635	466	615	528	517	450	386	387
Trade receivables	740	836	828	733	627	646	627	646	630	552	552
Net cash from operating activities	298	313	242	256	558	165	228	154	153	178	178
Number of employees at 31 December	24,682	24,758	24,927	23,058	20,663	18,879	13,048	13,741	14,396	14,500	14,500
PER SHARE DATA *(in €)* [i]											
Total number of shares outstanding *(in thousands)*	50,169	50,169	49,952	49,952	49,952	50,912	50,881	51,057	50,940	51,228	51,228
Weighted average number of shares *(in thousands)*	48,344	47,718	47,886	47,414	46,477	47,326	48,620	48,610	48,888	48,468	48,468
Adjusted diluted earnings per share [f]	4.08	4.01	4.81	4.54	3.13	3.18	2.92	1.78	2.07	2.67	2.52
Dividend per share [f]	1.39	1.32	1.25	1.17	1.04	0.94	0.93	0.85	0.8	0.8	0.8
Dividend yield per share *(in %)* [e] [f]	2.12	2.37	2.15	1.51	2.62	4.38	2.26	2.37	2.61	3.04	3.04
Share price: High [f]	69.5	67.85	82.15	82.78	40.53	44.00	48.15	38.07	30.88	35.73	35.73
Low [f]	51.5	46.70	52.0	39.15	16.44	19.71	35.33	26.70	26.10	24.45	24.45
Price at 31 December	65.7	55.71	58.12	77.73	39.70	21.46	41.33	35.87	30.67	26.30	26.30
Stock market capitalisation *(in € millions)*	3,296.1	2,794.9	2,903.2	3,882.8	1,983	1,093	2,103	1,831	1,562	1,347	1,347
Average daily trading volume *(number of shares)*	75,245	90,232	143,151	107,282	88,830	117,527	127,638	75,681	63,243	87,183	87,183

(a) Including All-Clad since 28 July 2004.
(b) Including Lagostina since 1 May 2005 and Panex since 1 June 2005.
(c) Excluding discretionary and non-discretionary profit sharing and matching contributions to employee savings plans but including temporary staff costs. Since the Group's transition to IFRS in 2004, the reported amounts have also included the service cost of pension and other post-employment benefits.
(d) Earnings before interest, taxes, depreciation and amortisation (including amortisation and impairment of goodwill and trademarks, and depreciation and amortisation expense reported under «Other operating income and expense»).
(e) Dividend for the year expressed as a percentage of the closing share price at the year-end.
(f) Adjusted for the March 2004 one-for-ten bonus share issue.
(g) Earnings before interest, taxes, depreciation and amortisation (including amortisation and impairment losses reported under «Other operating income and expense»).
(h) The balance sheets and income statements for 2005, 2006, 2007, 2010 and 2011 were restated in subsequent years. The restatements were not material.
(i) Figures were restated following the three-for-one share split.

5.2. CONSOLIDATED RATIOS

(in %)	2013	2012	2011 [e]	2010 [e]	2009	2008	2007	2006 [c]	2005 [b]	2004 IFRS [a]	2004	2003
PROFITABILITY RATIOS												
Return on equity before appropriation of previous year's profit	13.66	14.47	15.27	18.04	15.69	18.85	17.71	10.88	14.83	21.90	20.60	29.33
Net margin	4.80	4.78	5.96	6.03	4.59	4.69	5.04	3.28	4.13	5.72	5.26	6.33
FINANCIAL RATIOS												
Net debt/equity ratio	27.14	38.04	50.14	8.48	22.52	71.64	76.12	51.70	52.85	48.14	48.28	31.64
Finance costs, net/revenue	1.32	1.54	0.68	0.44	0.86	1.50	1.21	1.15	1.02	0.54	0.33	0.33
Net debt/adjusted EBITDA	0.86	1.17	1.32	0.27	0.59	1.65	1.87	1.30	1.31	1.07	1.11	0.68
INVESTMENT RATIOS [d]												
Investments/revenue	3.05	3.14	3.55	3.86	3.44	3.60	3.20	3.21	4.03	4.33	3.71	4.20

(a) Including All-Clad since 28 July 2004.
(b) Including Lagostina since 1 May 2005 and Panex since 1 June 2005.
(c) Including Mirro WearEver since 16 August 2006.
(d) Excluding purchases of property, plant and equipment and software.
(e) Restated for the effects of applying IAS 19R.

5

5.3. FINANCIAL STATEMENTS

Consolidated Income Statement

Years ended 31 December

(in € millions)	**31/12/2013**	31/12/2012	31/12/2011 [a]
Revenue (Note 4)	4,161.3	4,059.7	3,963.3
Operating expenses (Note 5)	(3,750.9)	(3,644.3)	(3,508.3)
OPERATING RESULT FROM ACTIVITY [a]	**410.4**	**415.4**	**455.0**
Statutory and discretionary profit-sharing (Note 6)	(37.2)	(48.2)	(43.9)
RECURRING OPERATING PROFIT	**373.2**	**367.2**	**411.1**
Other operating income and expense (Note 7)	(9.5)	0.4	(8.9)
OPERATING PROFIT	**363.8**	**367.6**	**402.2**
Finance costs (Note 8)	(31.0)	(29.3)	(19.1)
Other financial income and expense (Note 8)	(23.9)	(33.4)	(7.8)
Share of profits of associates			
PROFIT BEFORE TAX	**308.9**	**304.9**	**375.5**
Income tax expense (Note 9)	(87.2)	(94.2)	(113.1)
PROFIT FOR THE PERIOD	**221.7**	**210.7**	**262.4**
Non-controlling interests (Note 21)	(22.0)	(16.5)	(26.4)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**199.8**	**194.2**	**236.1**
EARNINGS PER SHARE *(in €)*			
Basic earnings per share (Note 10)	4.13	4.07	4.93
Diluted earnings per share (Note 10)	4.08	4.01	4.81

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

The accompanying Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

(in € millions)	**31/12/2013**	31/12/2012	31/12/2011 [a]
Profit for the period	221.7	210.7	262.4
Exchange differences on translating foreign operations	(81.2)	(25.9)	39.4
Gains (losses) on cash flow hedges	(12.5)	10.7	(8.5)
Restatement of employee benefit obligations, net of tax [b] [c]	0.2	(20.3)	3.3
Other comprehensive income	(93.5)	(35.5)	34.2
COMPREHENSIVE INCOME	**128.2**	**175.2**	**296.6**
Non-controlling interests	(19.2)	(14.4)	(41.4)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**109.0**	**160.8**	**255.2**

(a) Restated for the application of IAS 19R.
(b) Items that will not be reclassified to profit or loss.
(c) The pre-tax effect of this restatement is shown in Note 23.4 Change in other comprehensive income.

Consolidated Balance sheet

Years ended 31 December

ASSETS *(in € millions)*	**31/12/2013**	31/12/2012	31/12/2011 (a)
Goodwill (Note 11)	448.2	461.7	464.5
Other intangible assets (Note 11)	411.8	434.0	445.7
Property plant and equipment (Note 12)	485.9	491.0	475.5
Investments in associates (Note 14)			
Other investments (Note 14)	57.4	38.0	57.4
Other non-current financial assets (Note 14)	9.5	9.1	9.5
Deferred tax assets (Note 9)	52.0	47.9	48.3
Other non-current assets (Note 18)	6.0	9.0	7.7
Long-term derivative instruments (Note 26)			0.3
NON-CURRENT ASSETS	**1,470.8**	**1,490.8**	**1,508.8**
Inventories (Note 16)	731.1	681.0	702.2
Trade receivables (Note 17)	740.2	835.8	828.4
Other receivables (Note 18)	116.7	83.8	71.6
Current tax assets	33.3	41.0	57.6
Short-term derivative instruments (Note 26)	2.8	14.9	7.8
Cash and cash equivalents (Note 19)	426.3	398.7	196.0
CURRENT ASSETS	**2,050.4**	**2,055.1**	**1,863.5**
TOTAL ASSETS	**3,521.2**	**3,545.9**	**3,372.3**

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

5

EQUITY AND LIABILITIES *(in € millions)*	**31/12/2013**	31/12/2012	31/12/2011 (a)
Share capital (Note 20)	50.2	50.2	50.0
Reserves and retained earnings (Note 20)	1,414.2	1,372.7	1,261.6
Treasury stock (Note 20)	(74.7)	(91.1)	(93.3)
Equity attributable to owners of the parent	**1,389.7**	**1,331.8**	**1,218.3**
Non-controlling interests (Note 21)	**142.6**	**130.3**	**123.4**
EQUITY	**1,532.3**	**1,462.1**	**1,341.8**
Deferred tax liabilities (Note 9)	71.3	82.0	79.0
Long-term provisions (Note 22)	180.9	179.7	157.8
Long-term borrowings (Note 25)	627.0	653.6	534.1
Other non-current liabilities (Note 24)	33.3	30.8	26.8
Long-term derivative instruments (Note 26)			1.5
NON-CURRENT LIABILITIES	**912.5**	**946.1**	**799.3**
Short-term provisions (Note 22)	45.6	50.6	62.1
Trade payables (Note 24)	524.8	508.0	515.6
Other current liabilities (Note 24)	251.3	239.7	238.7
Current tax liabilities	26.6	31.4	66.7
Short-term derivative instruments (Note 26)	13.5	9.5	16.1
Short-term borrowings (Note 25)	214.6	298.6	332.1
CURRENT LIABILITIES	**1,076.4**	**1,137.7**	**1,231.3**
TOTAL EQUITY AND LIABILITIES	**3,521.2**	**3,545.9**	**3,372.3**

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

The accompanying Notes 1 to 33 are an integral part of these Consolidated Financial Statements.

Consolidated Cash Flow Statement

Years ended 31 December

(in € millions)	31/12/2013	31/12/2012	31/12/2011 [(b)]
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**199.8**	**194.2**	**236.1**
Depreciation, amortisation and impairment losses (Notes 11 and 12)	111.7	109.0	113.0
Change in provisions (Note 22)	8.9	4.6	(16.1)
Unrealised gains and losses on financial instruments (Note 26)	(2.9)	(1.9)	7.5
Income and expenses related to stock options (Note 20.2)	6.0	9.0	5.0
Gains and losses on disposals of assets	(3.2)		(14.0)
Other			(0.4)
Non-controlling interests (Note 21)	22.0	16.5	26.4
Current and deferred taxes (Note 9)	86.5	97.3	113.1
Finance costs, net (Note 8)	31.2	31.1	20.1
CASH FLOW [(a)]	**459.9**	**459.7**	**490.4**
Change in inventories (Note 16)	(89.4)	15.3	(41.9)
Change in trade receivables (Note 17)	37.3	(17.1)	(83.1)
Change in trade payables (Note 24)	36.1	(3.4)	9.6
Change in other receivables and payables (Notes 18 and 24)	(23.4)	(7.6)	(23.4)
Income taxes paid	(91.2)	(103.1)	(89.7)
Interest paid, net	(31.2)	(31.1)	(20.1)
NET CASH FROM OPERATING ACTIVITIES	**298.1**	**312.7**	**241.8**
Proceeds from disposals of assets (Note 12)	11.5	5.6	21.7
Purchases of property, plant and equipment (Note 12)	(114.2)	(111.3)	(111.9)
Purchases of software and other intangible assets (Note 11)	(12.8)	(16.3)	(18.6)
Purchases of financial assets (Note 14)	(3.1)	(12.2)	(1.0)
Acquisitions of subsidiaries, net of the cash acquired (Note 3)	(25.2)		(103.1)
Effect of other changes in scope of consolidation (Note 3)			
NET CASH USED BY INVESTING ACTIVITIES	**(143.8)**	**(134.2)**	**(212.9)**
Change in long-term borrowings (Note 25)	39.2	121.6	332.2
Change in short-term borrowings (Note 25)	(132.4)	(35.5)	101.3
Issue of share capital (Note 20)		9.3	
Transactions between owners (Note 21)	(10.2)	(1.3)	(407.9)
Change in treasury stock (Note 20.4)	21.2	(4.7)	(34.4)
Dividends paid, including to non-controlling shareholders	(73.6)	(67.8)	(66.8)
NET CASH USED BY FINANCING ACTIVITIES	**(155.9)**	**21.5**	**(75.7)**
Effect of changes in foreign exchange rates	29.1	2.7	6.1
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**27.6**	**202.7**	**(40.7)**
Cash and cash equivalents at beginning of period (Note 19)	398.7	196.0	236.6
Cash and cash equivalents at end of period (Note 19)	426.3	398.7	196.0

(a) Before interest paid, net and income taxes paid.
(b) Restated for the application of IAS 19R.

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 31 DECEMBER 2010 (Note 2) [(a)]	**50.0**	**78.9**	**1,170.5**	**135.7**	**(61.7)**	**1,373.4**	**173.1**	**1,546.5**
Profit for the period [(a)]			236.0			236.0	26.4	262.4
Other comprehensive income [(a)]			(5.3)	24.4		19.2	15.0	34.2
Comprehensive income [(a)]			*230.7*	*24.4*		*255.2*	*41.4*	*296.6*
Dividends paid			(58.4)			(58.4)	(8.4)	(66.8)
Issue of share capital								
Reduction of share capital								
Changes in treasury stock					(31.6)	(31.6)		(31.6)
Gains (losses) on sales of treasury stock, after tax			(1.9)			(1.9)		(1.9)
Exercise of stock options			5.0			5.0		5.0
Other movements			(348.5)	25.2		(323.3)	(82.7)	(406.0)
AT 31 DECEMBER 2011 (Note 2) [(a)]	**50.0**	**78.9**	**997.4**	**185.3**	**(93.3)**	**1,218.4**	**123.4**	**1,341.8**
Profit for the period			194.2			194.2	16.5	210.7
Other comprehensive income			(9.6)	(23.8)		(33.4)	(2.1)	(35.5)
Comprehensive income			*184.6*	*(23.8)*		*160.8*	*14.4*	*175.2*
Dividends paid			(61.9)			(61.9)	(5.9)	(67.8)
Issue of share capital	0.2	9.2				9.4		9.4
Reduction of share capital								
Changes in treasury stock					2.2	2.2		2.2
Gains (losses) on sales of treasury stock, after tax			(4.5)			(4.5)		(4.5)
Exercise of stock options			8.3			8.3		8.3
Other movements			(0.9)			(0.9)	(1.6)	(2.5)
AT 31 DECEMBER 2012	**50.2**	**88.1**	**1,123.0**	**161.5**	**(91.1)**	**1,331.8**	**130.3**	**1,462.1**
Profit for the period			199.8			199.8	22.0	221.7
Other comprehensive income			(12.3)	(78.5)		(90.8)	(2.7)	(93.5)
Comprehensive income			*187.5*	*(78.5)*		*109.0*	*19.2*	*128.2*
Dividends paid			(66.1)			(66.1)	(7.5)	(73.6)
Issue of share capital								
Reduction of share capital								
Changes in treasury stock					16.4	16.4		16.4
Gains (losses) on sales of treasury stock, after tax			3.1			3.1		3.1
Exercise of stock options			6.0			6.0		6.0
Other movements			(10.4)			(10.4)	0.5	(9.9)
AT 31 DECEMBER 2013 (Note 20)	**50.2**	**88.1**	**1,243.1**	**83.0**	**(74.7)**	**1,389.7**	**142.6**	**1,532.3**
2013 RECOMMENDED DIVIDEND						**(72.3)**		**(72.3)**
2013	**50.2**	**88.1**	**1,243.1**	**83.0**	**(74.7)**	**1,317.4**	**142.6**	**1,460.0**

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

5

CONTENTS

5.4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended 31 December *(in millions of euros)*

SEB S.A. ("the company") and its subsidiaries (together "Groupe SEB" or "the Group") are a world leader in the design, manufacture and marketing of cookware and small household appliances such as pressure cookers, irons and steam generators, kettles, coffeemakers, deep fryers, toasters and food processors.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements were authorised for publication by the Board of Directors on 25 February 2014.

As a company listed in a European Union country and in compliance with European Commission regulation 1606/2002/EC dated 19 July 2002, the 2013 Consolidated Financial Statements and the 2012 and 2011 restated information have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the European Union as of 31 December 2013, including the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor, the Standing Interpretations Committee (SIC). These documents can be downloaded from the European Commission's website http://ec.europa.eu/internal_market/accounting/ias_en.htm.

New standards, amendments and interpretations whose application was mandatory from 1 January 2013

The following standards, amendments and interpretations whose application was mandatory as from 1 January 2013 had no material impact on the Group's financial statements:

- IFRS 13 – Fair Value Measurement. This new standard clarifies the concept of fair value and the disclosures that may be required in the notes;
- amendment to IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities;
- amendment to IAS 12 – Income Taxes. This amendment clarifies the manner of recovery applicable to underlying assets for deferred tax purposes;
- annual improvements to IFRSs (May 2012): these amendments mainly concern the presentation of the financial statements (IAS 1), particularly comparative information, the classification of spare parts and replacement parts (IAS 16), interim reporting of information about segment assets (IAS 34) and the presentation of financial instruments (IAS 32) particularly the tax effect of equity distributions.

In 2012, Groupe SEB decided to early adopt the amendment to IAS 19 – Employee Benefits. The effects of applying the amended standard were calculated retrospectively, as if IAS 19R had been adopted as from 1 January 2010. They are presented in Note 2 – Restatement of financial information reported in 2011.

The amendment to IAS 1 – Presenting Comprehensive Income, which requires other items of comprehensive income that may be reclassified subsequently to profit or loss to be presented separately from items that will not be reclassified, was also early adopted.

Standards and amendments not early-adopted by the Group

The Group did not early adopt any standards, amendments or interpretations in 2013 that concern the Group and are applicable from 1 January 2014 or that are applicable despite not having been adopted by the European Union as they do not contradict any existing standards. These new standards and amendments are not expected to have a material impact on the Consolidated Financial Statements.

- "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. We expect these new standards to have no material impact on the basis and scope for consolidation in 2013, as presented below in Note 1.1;
- 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.

Note 1.1. BASIS AND SCOPE OF CONSOLIDATION

Material companies that are exclusively controlled by SEB S.A. either directly or indirectly are fully consolidated.

The profits of subsidiaries acquired or disposed of during the year are recognised in the consolidated income statement from the acquisition date or up to the disposal date.

Where necessary, the financial statements of subsidiaries are restated to comply with Group accounting policies.

Material companies over which SEB S.A. exercises significant influence, directly or indirectly, are accounted for by the equity method.

At 31 December 2013, no entities were accounted for by the equity method.

Certain companies fulfilling all of the above criteria are not consolidated because they are not material in relation to the Group as a whole. The materiality criteria applied by the Group are as follows:

- revenue of at least €15 million;
- total assets of at least €15 million;
- total debt of at least €5 million.

The list of consolidated companies is presented in Note 33.

All material intra-group transactions have been eliminated in consolidation.

Note 1.2. FOREIGN CURRENCY TRANSLATION

1.2.1. Translation of the financial statements of foreign operations

The financial statements of foreign entities are prepared in their functional currency, corresponding to the currency of the primary economic environment in which the entity operates. The functional currency of most foreign entities is their local currency.

The Group's functional and reporting currency is the euro.

The financial statements of foreign entities are translated into euros by the closing rate method, as follows:

- assets and liabilities in a functional currency other than the euro are translated at the closing rate at the balance sheet date and income statement items are translated at the weighted average rate for the year;
- the resulting exchange differences are recognised as a separate component of equity, under "Translation reserve".

The financial statements of subsidiaries whose functional currency is not the local accounting currency are initially translated into the functional currency using the historical rate method, as follows:

- non-monetary assets and liabilities (non-current assets, inventories and securities) and the corresponding movements recorded in the income statement are translated at the historical exchange rate;
- monetary assets and liabilities (cash, short and long-term loans and borrowings, operating receivables and payables) are translated at the closing rate at the balance sheet date;
- income statement items are translated at the weighted average rate for the year, apart from depreciation, amortisation and impairment losses on non-monetary items;
- the resulting exchange differences are recognised in the income statement.

These financial statements in the functional currency are then translated into euros using the closing rate method.

In accordance with the option available to first-time adopters under IFRS 1, Groupe SEB elected to reset to zero at 1 January 2004 the cumulative translation differences arising on consolidation of foreign entities.

1.2.2. Translation of foreign currency transactions

Foreign currency transactions are recognised and measured in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates. Transactions in currencies other than the euro are initially recognised at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in currencies other than the euro are translated at the closing exchange rate. The resulting exchange differences are recognised in the income statement except where they refer to eligible cash-flow hedges or hedges of a net investment in a foreign entity.

The effect of changes in exchange rates on the fair value of non-monetary financial assets and liabilities is recognised by the accounting method applied to the category of financial assets or liabilities concerned.

Monetary financial assets are measured at amortised cost in the original currency and changes in amortised cost corresponding to exchange differences are recognised in the income statement, while other changes are recognised directly in equity.

The Group's exposure to certain currency risks is hedged using forward contracts and options (see below a presentation of the accounting methods applicable to hedging positions).

Note 1.3. USE OF ESTIMATES

The preparation of Consolidated Financial Statements in accordance with IFRS requires the use of estimates and assumptions that have an impact on the reported amounts of assets and liabilities – such as accumulated depreciation, amortization and impairment losses – and contingent assets and liabilities at the balance sheet date, as well as on income and expenses for the year.

All such estimates are made on a going concern basis using the information available when the financial statements are drawn up. They reflect amounts and assumptions that management considers relevant and reasonable given the Group's operating environment and past experience. In the current economic environment, short and medium-term forecasting has become more difficult and the Consolidated Financial Statements have been prepared on the basis of estimates and assumptions that reflect the financial parameters shaping the market at 31 December. The value of certain assets, such as goodwill and trademarks, is estimated at the year-end based on the long-term economic outlook and management's best estimates, taking into account the reduced visibility of future cash flows.

The assumptions used – which mainly concern impairment tests on non-current assets – and the sensitivity of reported amounts to changes in these assumptions, are presented in the relevant notes to these Consolidated Financial Statements, in accordance with IAS 36.

Estimates are adjusted following any change in the circumstances on which they were based or when any new information comes to light. Actual results may differ from these estimates and assumptions.

The main estimates and assumptions used to prepare the Consolidated Financial Statements concern the measurement of pension and other post-employment benefit obligations (Note 23.1), deferred taxes (Note 1.4.9), property, plant and equipment (Note 1.4.3), intangible assets (Notes 1.4.1 and 11), investments in associates and other investments, impairment of current assets (Notes 1.4.5 and 1.4.6), short and long-term provisions (Notes 1.4.10 and 1.4.11), certain financial instruments (Note 1.4.4 – Derivative instruments) and share-based payments (Note 1.4.10 – Share-based payments).

Note 1.4. ACCOUNTING POLICIES AND VALUATION METHODS

The financial statements of Group companies are prepared in accordance with local generally accepted accounting principles. They are restated where necessary to comply with Group accounting policies.

The notes to the Consolidated Financial Statements include analyses of assets and liabilities by maturity where disclosure of this information is required under IFRS.

1.4.1. Intangible assets

A) DEVELOPMENT COSTS

Under IAS 38 – Intangible Assets, research costs are recognised as an expense and development costs are recognised as an intangible asset when the Group can demonstrate (IAS 38, paragraph 57) (non exhaustive list):

- its intention to complete the development project;
- that it is probable that the expected future economic benefits attributable to the asset will flow to the Group;
- its ability to reliably measure the cost of the asset.

Development costs that do not fulfil the above criteria are expensed as incurred.

In the Consolidated Financial Statements, qualifying development costs incurred after the advance design phase and before the manufacturing phase are recognised as intangible assets.

Development costs are amortised on a straight-line basis over three to five years, corresponding to the same useful life as that applied to specific tooling.

B) OTHER INTANGIBLE ASSETS

Software licences and internal software development costs are recognised as intangible assets when it is probable that they will generate future economic benefits. They are amortised by the straight-line method over useful lives ranging from three to five years. Other software licences and software development costs are expensed as incurred.

Patents, licences and trademarks with a finite useful life are amortised over the shorter of the period of legal protection and their expected useful life, not to exceed fifteen years.

Trademarks with an indefinite useful life are not amortised but are tested for impairment.

C) GOODWILL

Goodwill arising from consolidated companies are recognised as a balance sheet asset under “Goodwill”.

It is measured as the excess of the Group’s interest in the net fair value of the identifiable assets and liabilities acquired in a business combination over the consideration transferred. The consideration transferred is measured as the fair value of assets transferred, equity instruments issued and liabilities incurred by the acquirer to the former owner on the acquisition date, plus any contingent consideration. In the case of an acquisition carried out in stages, the difference between the carrying amount of the previously held interest and its acquisition-date fair value is recognised directly in the income statement on the acquisition date under “Other operating income and expense”.

For each business combination, any non-controlling interest in the acquiree may be measured either at fair value on the acquisition date (full goodwill method) or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets (partial goodwill method).

The fair values provisionally attributed to identifiable assets and liabilities, non-controlling interests measured at fair value and the various components of the consideration transferred may be adjusted for a period of twelve months after the acquisition date. After that period, any adjustments are recognised prospectively in profit or loss with no adjustment to goodwill.

Goodwill is not amortised but is tested for impairment at least once a year. For impairment testing purposes, goodwill is allocated to a Cash-Generating Unit (CGU), defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The method used to test CGUs for impairment is described in Note 1.4.3.

When a CGU is found to be impaired, an impairment loss corresponding to the difference between the carrying amount of the goodwill and its recoverable amount is recognised in “Other operating expense”. Impairment losses on goodwill are not reversible.

Negative goodwill is recognised directly in the income statement under “Other operating income and expense” and is attributed in full to the acquirer.

1.4.2. Property, plant and equipment

Property, plant and equipment are initially recognised at cost and are depreciated by the straight-line method over their estimated useful lives.

Maintenance and repair costs are expensed as incurred.

The main useful lives are as follows:

- buildings: 10-40 years;
- plant and machinery: 10 years;
- office equipment: 3-10 years;
- vehicles: 4-5 years;
- tooling: 1-5 years.

Each significant part of an item of property, plant and equipment with a useful life that is different from that of the asset to which it belongs is depreciated separately. Useful lives are reviewed at regular intervals and the effect of any adjustments – corresponding to a change in accounting estimates – is applied prospectively.

No items of property, plant or equipment have been revalued.

5

In accordance with IAS 17 – Leases, finance leases that transfer substantially all the risks and rewards incidental to ownership of an asset are recognised in property, plant and equipment for an amount corresponding to the lower of the fair value of the leased asset and the present value of the minimum lease payments.

A liability for the same amount is recorded under “Finance lease liabilities”.

1.4.3. Impairment of non-current assets

In accordance with IAS 36 – Impairment of Assets, the Group assesses at the end of each reporting period whether there is any indication that its property, plant and equipment and intangible assets may be impaired. If any such indication exists, the assets are tested for impairment. Assets with an indefinite useful life – corresponding in the case of Groupe SEB to goodwill and trademarks – are tested for impairment at least once a year, irrespective of whether there is any indication of impairment.

Assets with a finite life are tested whenever events or circumstances indicate that their carrying amount may not be recovered.

Impairment tests are performed at the level of each Cash-Generating Unit (CGU). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. An impairment loss is recognised for any excess of an asset’s carrying amount over its recoverable amount. Recoverable amount corresponds to the higher of the asset’s fair value less costs to sell and its value in use, calculated using the discounted cash flows method. The impairment loss is allocated to reduce the carrying amount of goodwill and then prorata to the other assets of the CGU based on their respective carrying amounts.

The capitalised amount of development projects in progress is also tested for impairment.

Impairment losses on CGUs and on assets with an indefinite useful life are recorded in “Other operating income and expense”.

At Groupe SEB, CGUs correspond to individual production sites, broken down where appropriate by product family. The assets allocated to each CGU correspond mainly to tooling and other manufacturing assets (primarily buildings and machinery). Marketing subsidiaries and integrated manufacturing and sales entities are each treated as separate CGUs, but marketing subsidiaries that share resources are combined in a single CGU.

Impairment losses recognised for non-financial assets other than goodwill are reviewed at each annual and interim period-end and adjusted as necessary.

1.4.4. Financial instruments

Financial instruments are accounted for in accordance with IAS 39 – Financial Instruments: Recognition and Measurement.

Financial assets and liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. They are initially recognised at cost, corresponding to the fair value of the consideration paid or received plus external transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

A) FINANCIAL ASSETS

Financial assets consist of shares in subsidiaries and affiliates as well as operating receivables, debt securities and other cash equivalents classified as current assets.

Available-for-sale

Available-for-sale financial assets are assets that are intended to be held for an indefinite period but which may be sold in response to changes in market interest rates or liquidity needs. They correspond to investments in non-consolidated companies.

At each period-end, they are measured at fair value and the resulting unrealised gain or loss is recognised directly in equity. When the assets are sold, the cumulative gains and losses previously recognised in equity are reclassified to profit.

When there is objective evidence of significant or prolonged decline in Fair Value, the impairment loss is recognised directly in the income statement.

Recognised at amortised cost

These assets include loans and receivables and held-to-maturity investments.

Held-to-maturity investments are financial assets with a fixed maturity that the Group has the positive intention and ability to hold to maturity. They are measured at amortised cost, determined by the effective interest method.

B) FINANCIAL LIABILITIES

Financial liabilities comprise borrowings and other financing, including bank overdrafts, and operating liabilities.

Borrowings and other financial liabilities are measured at amortised cost, determined by the effective interest method.

When interest rate risks on financial liabilities are hedged by swaps qualifying as cash flow hedges, the swaps are also recognised in the balance sheet at fair value. The effective portion of changes in their fair value is recognised directly in equity and the ineffective portion is recognised in profit.

C) DERIVATIVE INSTRUMENTS

Market risks (interest rate, currency and commodity price risks) are hedged, generally through the use of derivative instruments.

In accordance with IAS 32 and IAS 39, derivative instruments are measured at fair value.

The accounting treatment of changes in fair value depends on the future use of the derivative and the resulting accounting classification.

Derivative instruments designated as the hedging instrument in a hedging relationship may be classified as either fair value or cash flow hedges:

- a fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability, or an unrecognised firm commitment, that is attributable to a particular risk and could affect profit;

- a cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, and could affect profit.

The gain or loss arising from remeasurement at fair value of derivative instruments designated as fair value hedges is recognised in profit, offsetting all or part of the gain or loss recognised on the hedged item.

In the case of cash flow hedges, the effective portion of the gain or loss arising from remeasurement of the derivative instrument at fair value is recognised in equity and the ineffective portion is recognised in profit. The cumulative gains and losses on cash flow hedges recognised directly in equity are reclassified into profit when the hedged item affects profit.

Hedge accounting is applied when:

- the hedging relationship is formally designated and documented at the inception of the hedge;
- the hedge is expected to be highly effective and is determined actually to have been highly effective throughout the financial reporting periods for which it was designated.

At the inception of each hedge, the hedging relationship is formally documented, specifying in particular the Group's risk management objective and strategy for undertaking the hedge. The initial documentation also includes details of how the Group will assess the hedging instrument's effectiveness. In subsequent periods, the hedging instrument's actual effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk is also fully documented.

Hedge accounting is discontinued prospectively when the derivative instrument ceases to be a highly effective hedge or when it expires or is sold, terminated or exercised.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised in profit.

1.4.5. Inventories

Raw materials and goods purchased for resale are measured at purchase cost, using the weighted average cost method.

Work-in-progress and finished products are measured at cost, including raw materials and labour and a portion of direct and indirect production costs.

In accordance with IAS 2, inventories are measured at the lower of cost, determined as explained above, and net realisable value.

Net realisable value corresponds to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (mainly distribution costs).

The carrying amount of inventories does not include any borrowing costs.

1.4.6. Trade receivables

Trade receivables are measured at the lowest of their nominal amount – which approximates fair value due to their short maturity – and their estimated net realisable value. Provisions for impairment are determined on the basis of the age of the receivables, taking into account any identified recovery risks.

1.4.7. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term investments in money market instruments. These instruments have maturities of less than three months; they are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

The consolidated cash flow statement is presented using the indirect method and cash flows are analysed between operating, investing and financing activities.

IAS 7 – Statement of Cash Flows was amended following the publication of IAS 27R. The aggregate cash flows arising from obtaining or losing control of a subsidiary are classified as investing activities while cash flows arising from changes in ownership interests in a fully consolidated subsidiary are classified as financing activities. Transactions with jointly controlled entities or entities accounted for by the equity method continue to be classified as investing activities.

1.4.8. Treasury stock

Treasury stock is deducted from equity at cost. Any gains or losses arising from the purchase, sale, issue or cancellation of treasury stock are recognised directly in equity without affecting profit.

1.4.9. Income taxes

Income tax expense reported in the income statement corresponds to current tax for the period and changes in deferred taxes.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognised, using the liability method, for temporary differences between the carrying amounts of assets and liabilities and their tax base. They are determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Temporary differences include:

a) taxable temporary differences, which are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled; and

b) deductible temporary differences, which are temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax assets are recognised for deductible temporary differences and tax loss carry forwards to the extent that it is highly probable that future taxable profits will be available in the foreseeable future against which they can be utilised.

Deferred tax assets previously unrecognised at the date of a business combination or during the twelve-month purchase price allocation period are subsequently recognised as an adjustment to profit or loss provided they meet the recognition criteria.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

1.4.10. Employee benefits

A) PENSION AND OTHER POST-EMPLOYMENT BENEFIT PLANS

In some countries, the Group is required to pay length-of-service awards to employees on retirement or pension benefits under formal pension plans. The Group also pays contributions to government-sponsored pension schemes in its various host countries. The accounting treatment of these pension and other post-employment benefit plans depends on the type of plan, as follows:

Defined contribution plans

Contributions to these plans are recognised as an expense for the period to which they relate.

Defined benefit plans

In accordance with IAS 19R – Employee Benefits, obligations under defined benefit plans are calculated annually by qualified actuaries using the projected unit credit method based on final salaries. The projected unit credit method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation, which is then discounted. The actuarial assumptions used to calculate the obligation include staff turnover rates, mortality rates, the discount rate and the expected retirement age.

The assumptions vary according to local laws and regulations in the host countries concerned.

A provision is recorded in the balance sheet for any unfunded obligations, corresponding to defined benefit obligations not covered by plan assets.

Current service cost, corresponding to the increase in the present value of the defined benefit obligation resulting from employee service in the current period, and the effect of plan amendments and curtailments, is recognised in operating expense.

Actuarial gains and losses, corresponding to the effects of changes in actuarial assumptions and experience adjustments (i.e. the effects of differences between the previous actuarial assumptions and what has actually occurred) are recorded in “Other comprehensive income”.

Interest income or interest expense calculated on the defined benefit obligation net of the value of plan assets by applying the discount rate used to determine the defined benefit obligation is recorded in “Other financial income and expense”.

The difference between the actual return on plan assets and the interest income calculated by applying the discount rate is recorded in “Other comprehensive income”.

For plans that have a surplus – corresponding to the excess of plan assets over the defined benefit obligation – the Group applies the limit provided for in IAS 19R in determining any asset recognised in the balance sheet.

B) OTHER LONG-TERM BENEFITS

Certain subsidiaries pay jubilees to employees who have completed a certain number of years’ service or offer employees “time savings accounts”.

The cost of these long-term benefits is calculated on an actuarial basis and recognised in profit over the service lives of the employees concerned. Actuarial gains and losses are recognised immediately in profit during the period in which they are generated, as their deferral is not allowed under IFRS.

Pension and other post-employment benefit costs are classified as operating expenses, except for the interest cost, which is included in other financial income and expense in accordance with the alternative treatment allowed under IAS 19R.

Contributions to external funds and payments to employees are reported in the cash flow statement under “Cash flows from operating activities”.

In accordance with IAS 19R, which was early-adopted on 1 January 2012, unrecognised actuarial gains and losses on defined benefit obligations at 31 December 2009 and past service costs were recognised in equity in the opening balance sheet starting from 1 January 2010 (see Note 2 – Restatement of financial information reported in 2011).

C) SHARE-BASED PAYMENTS

Stock option plans are measured and recognised in accordance with IFRS 2 – Share-Based Payment. Stock options represent a benefit for the grantee and, accordingly, are treated as part of the Group’s compensation costs. Option grants are not cash-settled, and the benefit is therefore recognised as an expense over the vesting period by adjusting equity, for an amount corresponding to the fair value of the underlying equity instruments. As the stock options granted to employees of Group subsidiaries are only exercisable for SEB S.A. shares they are deemed to be equity-settled share-based payments.

The fair value of stock options at the grant date is determined using the Black & Scholes option pricing model. This model takes into account the option exercise price and period, market data at the grant date (risk-free interest rate, share price, volatility, expected dividends) and grantee behaviour assumptions (average holding period of the options). The fair value of performance shares corresponds to the share price on the grant date less a discount covering the lock-up feature and the value of future dividends that will not be received during the vesting period.

The compensation cost recorded for each plan is determined by multiplying the fair value per option or performance share by the estimated future number of shares to be delivered. The estimated number of shares is adjusted at each balance sheet date, as necessary, based on a revised estimate of the probability of non-market-based performance criteria being met, leading to an adjustment of the compensation cost.

The compensation cost is recognised in employee benefits expense on a straight-line basis over the option or performance share vesting period by adjusting equity. When a grantee leaves the Group before the end of the vesting period, resulting in the rights to the options or performance shares being forfeited, the cumulative compensation cost is cancelled by recording an equivalent amount in income. Conversely, if a grantee leaves the Group earlier than originally expected, amortisation of the cost of his or her options or performance shares is accelerated.

D) EMPLOYEE SHARE OWNERSHIP PLANS

When employee rights issues are carried out, if the shares are offered at a discount to market price the difference between the offer price and the market price is recorded as an expense. The expense is measured on the date when the rights are granted, corresponding to the point at which both the Group and the employees understand the characteristics and terms of the offer.

It takes into account matching employer contributions to the plan and any discount offered on the shares, less the deemed cost to the employee of the lock-up applicable to the shares.

It is recognised in full in the income statement, under "Statutory and discretionary profit-sharing", in the year of the rights issue provided that the shares are not subject to any vesting condition, as in this case the shares are issued in exchange for employee services rendered in prior periods.

1.4.11. Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation:

A) PROVISIONS FOR WARRANTY COSTS

The Group provides a warranty on its products. The estimated costs of the warranty are accrued at the time of sale, based on historical data.

This item also includes provisions for product recalls, which are set up when the recall is decided.

B) PROVISIONS FOR CLAIMS AND LITIGATION

As a general principle, all known claims and litigation involving the Group are reviewed by management at each period-end. All necessary provisions have been recorded to cover the related risks, as estimated after obtaining advice from outside legal advisors.

C) RESTRUCTURING PROVISION

The Group is considered as having a constructive obligation when management has a detailed formal plan for the restructuring, or has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features and no inflow of economic benefits is expected that would offset the costs of the plan.

The amount of the related provision corresponds to forecast cash outflows under the plan.

1.4.12. Off-balance sheet commitments

For several years now, the Group's reporting system has included detailed reporting of off-balance sheet commitments. The process provides for the reporting by consolidated subsidiaries, in their consolidation packages, of information about the following commitments that they have given:

- guarantees, endorsements and bonds;
- security interests (mortgages and pledges);
- commitments under operating leases and firm orders for fixed assets;
- other commitments.

1.4.13. Transactions between owners

Acquisitions or disposals of non-controlling interests that do not affect the Group's control of a subsidiary are treated as transactions between owners and accounted for in equity. The carrying amounts of the subsidiary's assets (including goodwill recognised upon obtaining control) and liabilities remain unchanged.

In the event of a partial disposal leading to the loss of control of a subsidiary, the Group (a) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; (b) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost; (c) recognises the fair value of the consideration received; (d) recognises any investment retained in the former subsidiary at its fair value at the date when control is lost; (e) reclassifies to profit or loss any gain or loss recognised in other comprehensive income and (f) recognises any resulting difference as a gain or loss in profit or loss attributable to owners of the parent. The remeasurement at fair value of the retained investment therefore affects profit or loss.

Note 1.5. INCOME STATEMENT PRESENTATION

1.5.1. Revenue

Revenue corresponds to the value, excluding tax, of goods and services sold by consolidated companies in the course of their ordinary activities, after eliminating intra-group sales.

Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer – generally when the customer receives a product – for an amount corresponding to the fair value of the consideration received or receivable as determined after deducting rebates and discounts.

Advertising expense contributions billed by customers and the cost of consumer promotions that do not fulfil the criteria for recognition as operating expenses are recognised as a deduction from revenue. The reported amount of revenue also includes miscellaneous revenues.

Freight and other costs billed to customers are treated as an integral part of revenue.

Accruals are booked for deferred rebates granted to customers on the basis of contractual or constructive commitments identified at the period-end.

1.5.2. Operating result from activity and operating expenses

The Group's main performance indicator is operating result from activity, which corresponds to revenue less operating expenses. Operating expenses comprise the cost of sales, research and development costs, advertising costs and distribution and administrative expenses. Statutory and discretionary employee profit sharing and other operating income and expenses, as defined in Note 1.5.4, are excluded from the calculation.

1.5.3. Recurring operating profit

Recurring operating profit corresponds to operating result from activity less statutory and discretionary employee profit sharing.

1.5.4. Operating profit

Operating profit comprises all the recurring and non-recurring income and expenses generated in the course of the Group's ordinary activities, including income and expenses resulting from one-off decisions or transactions that are unusual in terms of their amount. Other non-recurring items, reported under "Other operating income and expenses", mainly include the following (see Note 7 for details):

- costs of significant restructuring plans;
- impairment losses on property, plant and equipment and intangible assets, including goodwill;
- costs related to business combinations (excluding the costs of issuing equity instruments or of new debt contracted for the purpose of the business combination) and the remeasurement at fair value of any previously held investment on the date control was obtained;
- gains or losses recognised upon losing exclusive control of a subsidiary, including the remeasurement at fair value of any retained investment;
- gains and losses on very exceptional events (litigation, asset disposals, etc. involving unusually large amounts) and changes in provisions booked for these types of events.

1.5.5. Other income statement items

Accrued interest on interest-bearing instruments is recognised by the effective interest method based on the purchase price.

Dividend income is recognised when the shareholder's right to receive payment is established.

Finance costs are recognised in the income statement on an accruals basis.

1.5.6. Earnings per share

Basic earnings per share correspond to profit attributable to owners of the parent divided by the weighted average number of shares outstanding during the period, excluding treasury stock.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to take into account the dilutive effect of stock options and other equity instruments issued by the company.

NOTE 2 RESTATEMENT OF FINANCIAL INFORMATION REPORTED IN 2011

Under IFRS, reported prior-period data must be restated for:

- operations meeting the criteria in IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations;
- business combinations (recognition of the definitive fair value of assets acquired and liabilities and contingent liabilities assumed when such fair value was determined on a provisional basis at the previous balance sheet date);
- changes in accounting methods (subject to any transitional provisions to the contrary applicable on first-time adoption of new standards);
- corrections of accounting errors.

In 2012, the Group decided to early-adopt IAS 19R – Employee Benefits. The revised standard eliminated the option of applying the corridor approach and required the immediate recognition of actuarial gains and losses in equity. This resulted in an increase in the provision for pension and other post-employment benefit obligations and an equivalent amount being recorded as a deduction from equity, after taking into account the related deferred tax effect from these provisions.

The effects of applying the amended standard were calculated retrospectively, as if IAS 19R had been adopted as from 1 January 2010. Therefore, the financial information at 31 December 2011 published in the 2011 Registration Document were restated. The main balance sheet captions affected are summarised in the following table:

Main balance sheet captions affected *(in € millions)*	Reported in 2011	IAS 19R	Restated in 2012
EQUITY AT 1 JANUARY 2011	**1,571.3**	**(24.8)**	**1,546.5**
Other comprehensive income	30.9	3.3	34.2
Profit for the period	260.9	1.5	262.4
Other movements	(501.3)		(501.3)
EQUITY AT 31 DECEMBER 2011	**1,361.8**	**(20.0)**	**1,341.8**
Balance sheet total at 31 December 2011	3,362.2	10.1	3,372.3
Long-term provisions	(127.6)	(30.2)	(157.8)
Deferred tax assets	38.2	10.1	48.3

NOTE 3 CHANGES IN THE SCOPE OF CONSOLIDATION

Note 3.1. TRANSACTIONS IN 2013

Egypt

In the first quarter of 2013, Groupe SEB set up a 75%-owned joint subsidiary with Egypt's leading manufacturer of small household equipment, Zahran, which was the Group's main cookware distributor in the country. The company Groupe SEB Egypt for Household Appliances, SEB's first direct outlet in Africa, has the aim of dynamising Group sales in Egypt, which previously went through third-party distributors.

The subsidiary contributed €9.2 million to Group sales in 2013.

Coranco

On 16 December 2013, Groupe SEB acquired the Canadian company Coranco, giving it direct control over the marketing of Lagostina products in Canada. Having been acquired so late in the year, Coranco was not consolidated at 31 December 2013. Coranco shares were reported under "Other investments" on the 2013 consolidated balance sheet.

Merger of ZJ Lesu and ZJ Supor

The merger of these two Chinese entities was a simple legal restructuring with no impact on the Group's Consolidated Financial Statements.

Note 3.2. TRANSACTIONS IN 2011 AND 2012

There were no changes in the scope of consolidation in 2012. Changes in the scope of consolidation in 2011 and their impact on the 2012 and 2013 financial statements were as follows.

Imusa

Groupe SEB completed its acquisition of Colombia-based Imusa on 28 February 2011, following the successful takeover bid launched for the company and its de-listing from the Bogota stock exchange. As a result, Groupe SEB has held almost 99% of Imusa's shares since 28 February 2011.

Specialised in small household equipment, Imusa manufactures and markets cookware, which accounts for two-thirds of its sales, as well as plastic food containers and household products. The company holds forefront positions in Colombia and has expanded its business to foreign markets, in particular other Latin American countries and the United States. Imusa employs around 1,000 people and operates two manufacturing sites – at Copacabana and Rionegra in Colombia – as well as a dozen stores located across the country.

At 31 December 2011, the provisional estimate of the net fair value of Imusa's identifiable assets and liabilities when Groupe SEB acquired control of the company on 28 February 2011 was as follows:

(in € millions)	28 February 2011
Non-current assets [(a)]	55.7
Inventories	16.9
Trade and other receivables	20.0
Net debt	(53.3)
Trade and other payables	(6.6)
Other liabilities (including deferred taxes)	(20.8)
TOTAL NET ASSETS	**11.9**
PERCENT INTEREST	**99%**
NET ASSETS ACQUIRED	**11.8**
Non-controlling interests	0.1
CASH OUTFLOW FOR THE IMUSA ACQUISITION	**44.2**
Goodwill	32.4

(a) Including the value of the "Imusa in Colombia" and "Imusa in the USA" trademarks, independently valued at €20 million and €5.3 million, respectively.

The goodwill arising on the acquisition – recognised in accordance with the partial goodwill method – corresponds mainly to market shares and projected synergies, particularly in terms of manufacturing, supply chain operations and product development, that cannot be separately identified.

On 28 December 2011, Imusa was merged with Arfel and Groupe SEB Colombia. The merged entity is named Groupe SEB Colombia.

The above estimate of the net fair value of the identifiable assets and liabilities acquired on 28 February 2011 was completed in early 2012 and did not give rise to any material changes compared with the amounts reported in the Consolidated Financial Statements for the year ended 31 December 2011.

At 31 December 2013, Imusa's goodwill totalled €31.4 million, and its "Imusa in Colombia" and "Imusa in the USA" trademarks were valued at 20.0 million and €5.3 million, respectively (compared to €35.7 million, €22.7 million and €5.5 million, respectively, at 31 December 2012).

Asia Fan

Groupe SEB acquired a controlling interest in Asia Fan, Vietnam's leading electric fan company, in May 2011. Following the transaction, Groupe SEB held a 65% interest in Asia Fan, with 30% still held by the company's founding family and 5% by its employees.

In 2010, Asia Fan reported revenue of around €11 million. It has two manufacturing sites and employs 700 people.

5

At 31 December 2011, the provisional estimate of the net fair value of Imusa's identifiable assets and liabilities when Groupe SEB acquired control of the company on 31 May 2011 broke down as follows:

(in € millions)	31 May 2011
Non-current assets [(a)]	2.0
Inventories	2.1
Trade and other receivables	0.8
Net cash	0.2
Trade and other payables	(1.2)
Other liabilities (including deferred taxes)	(0.3)
TOTAL NET ASSETS	**3.6**
PERCENT INTEREST	**65%**
NET ASSETS ACQUIRED	**2.3**
Non-controlling interests	1.3
CASH OUTFLOW FOR THE ASIA FAN ACQUISITION	**8.6**
Goodwill	6.5

(a) The Asia Fan trademark had not yet been valued.

The provisional value assigned to the goodwill arising on the Asia Fan acquisition was calculated using the partial goodwill method.

This estimate of the net fair value of the identifiable assets and liabilities acquired on 31 May 2011 was completed during the first half of 2012, after the AsiaVina trademark had been valued.

At 31 December 2013, goodwill on the acquisition amounted to €3.7 million and the AsiaVina trademark was carried in the balance sheet for €2.2 million versus €3.9 million and €2.4 million, respectively, at 31 December 2012.

Acquisition of an additional interest in Supor

On 13 December 2011, Groupe SEB purchased an additional 20% interest in Supor from the Su family – the company's founding shareholders – at a price of RMB30 per share, i.e. a total cost €406 million.

The transaction gave rise to a €406 million reduction in equity and an €83 million transfer from equity attributable to non-controlling interests to equity attributable to owners of the parent.

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 product families. 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.

In view of the acquisition date, the Group's interest in Maharaja Whiteline was initially presented under "Other investments" in the consolidated balance sheet. Groupe SEB does not consider that its financial statements for the year ended 31 December 2011 were materially affected by the fact that Maharaja Whiteline was not included in the scope of consolidation at that date. Subsequently, the Group opted not to consolidate the company in 2012 and 2013 as its figures were insufficiently reliable and its size was immaterial. The Maharaja Whiteline shares therefore continue to be reported under "Other investments" in the consolidated balance sheet.

The valuation of Groupe SEB's interest in this company took into consideration an earn-out payment that may be due in 2013 based on EBITDA performance. The amount of the earn-out was provisionally estimated at €2 million. In addition, if the founding shareholders' interest falls below 25% of the company's capital, they may sell their shares to Groupe SEB pursuant to a put and call option agreement. This condition has not been met, so this clause remains without impact on the Consolidated Financial Statements.

On 31 December 2012, the estimated €2 million earn-out payment was written down to zero, and the amount was confirmed in 2013.

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. This impairment loss is recorded in the income statement under "Other financial income and expense". An additional €7.5 million impairment loss was recognised in 2013 under "Other financial income and expense", reducing the aggregate carrying amount of the shares to €20 million.

Other transactions

ACQUISITION OF A STAKE IN KEY INGREDIENT

To prepare for coming changes in the Small Domestic Equipment market and extend its innovation strategy to new technologies and expertise from outside the company, Groupe SEB has created an investment fund – SEB Alliance – with initial capital of €30 million. The fund will serve as a technology watch as well as an investment unit. SEB Alliance is now included in the scope of consolidation.

In 2011, the fund made its first investment in the area of digital and connected products by acquiring a majority stake in US-based Key Ingredient.

Key Ingredient is a US start-up, based in Austin, Texas and specialised in the development of digital cooking solutions. Its 2011 revenue was less than €2 million.

Key Ingredient was not consolidated because of the immaterial scale of its business.

MERGER OF GROUPE SEB MEXICANA AND VISTAR.

The two Mexican entities Groupe SEB Mexicana and Vistar were merged during 2011. The operation did not have any impact on the Consolidated Financial Statements as it was simply a legal restructuring.

NOTE 4 SEGMENT INFORMATION

In accordance with IFRS 8 – Operating Segments, financial information is presented by geographical segment, which is the basis of the internal information reviewed and used by the chief operating decision makers, i.e. the members of the Executive Committee.

Note 4.1. 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
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	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.

(in € millions)	France	Other western European countries [(a)]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-group transactions	Total
2012								
Revenue								
Inter-segment revenue	688.0	735.5	444.9	449.5	986.0	661.1		3,965.0
External revenue	704.3	75.5	1.2	12.9	742.7	5.7	(1,447.6)	94.7
TOTAL REVENUE	**1,392.3**	**811.0**	**446.1**	**462.4**	**1,728.7**	**666.8**	**(1,447.6)**	**4,059.7**
Income statement								
Operating result from activity	109.3	42.3	(9.0)	37.6	136.3	111.2	(12.4)	415.4
Operating profit	69.6	39.3	(9.4)	33.9	136.0	110.6	(12.4)	367.6
Finance costs and other financial income and expense, net								(62.7)
Share of profit of associates								
Income tax expense								(94.2)
PROFIT FOR THE PERIOD								**210.7**
Balance sheet								
Segment assets	646.8	431.9	367.2	438.7	1,100.2	320.2	(308.7)	2,996.3
Financial assets								460.8
Tax assets								88.8
TOTAL ASSETS								**3,545.9**
Segment liabilities	426.1	278.4	66.8	104.3	274.5	119.8	(261.1)	1,008.7
Borrowings								961.7
Tax liabilities								113.4
Equity								1,462.1
TOTAL EQUITY AND LIABILITIES								**3,545.9**
Other information								
Capital expenditure and purchases of intangible assets	70.7	5.8	2.6	14.0	31.7	2.7		127.5
Depreciation and amortisation expense	58.4	7.4	4.5	11.1	25.4	1.4		108.2
Impairment losses	(0.3)			(0.4)				(0.7)

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

(in € millions)	France	Other western European countries (a)	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-group transactions	Total
2011								
Revenue								
Inter-segment revenue	705.6	791.5	394.6	426.5	909.5	664.6		3,892.3
External revenue (c)	678.0	41.4	0.6	16.6	748.4	1.3	(1,415.3)	71.0
TOTAL REVENUE	**1,383.6**	**832.9**	**395.2**	**443.1**	**1,657.9**	**666.0**	**(1,415.3)**	**3,963.3**
Income statement								
Operating result from activity	109.9	44.5	0.2	27.3	178.7	100.7	(6.2)	455.1
Operating profit (b)	61.5	40.9	(8.3)	37.4	176.7	100.2	(6.2)	402.2
Finance costs and other financial income and expense, net (b)								(26.7)
Share of profit of associates								
Income tax expense (b)								(113.1)
PROFIT FOR THE PERIOD								**262.4**
Balance sheet								
Segment assets	595.1	434.0	390.0	435.3	1,109.5	311.2	(279.6)	2,995.5
Financial assets								270.9
Tax assets (b)								105.9
TOTAL ASSETS (b)								**3,372.3**
Segment liabilities (b)	447.3	254.0	62.0	100.9	259.1	110.9	(233.1)	1,001.1
Borrowings								883.8
Tax liabilities								145.7
Equity								1,341.8
TOTAL EQUITY AND LIABILITIES								**3,372.3**
Other information								
Capital expenditure and purchases of intangible assets	67.7	5.7	3.5	16.3	45.9	1.5		140.6
Depreciation and amortisation expense	55.7	8.2	3.9	11.3	19.6	1.6		100.3
Impairment losses		4.2	7.2	0.3	2.1			13.8

(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.
(b) Restated for the application of IAS 19R.
(c) The allocation of 2011 revenue has been modified to neutralise the impact of an internal reorganisation carried out during that year.

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.

Note 4.2. REVENUE BY GEOGRAPHICAL LOCATION OF THE CUSTOMER AND BUSINESS SECTOR

(in € millions)	2013	2012	2011
France	665.8	688.5	705.4
Other western European countries [(a)]	820.6	758.5	806.7
North America	468.0	457.5	410.1
South America	426.4	451.0	427.9
Asia-Pacific	1,087.1	991.5	919.6
Central Europe, Russia and other countries	693.4	712.7	693.6
TOTAL	**4,161.3**	**4,059.7**	**3,963.3**

(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)	2013	2012	2011
Cookware	1,329.6	1,304.4	1,243.9
Small electrical appliances	2,831.7	2,755.3	2,719.4
TOTAL	**4,161.3**	**4,059.7**	**3,963.3**

NOTE 5 OPERATING EXPENSES

(in € millions)	2013	2012	2011 [(a)]
Purchased raw materials and goods	(1,918.8)	(1,907.3)	(1,861.6)
Labour costs	(131.6)	(125.6)	(128.4)
Freight costs	(53.9)	(48.2)	(71.3)
Other production costs	(438.7)	(398.9)	(333.6)
COST OF SALES (SUB-TOTAL)	**(2,543.0)**	**(2,480.0)**	**(2,394.9)**
Research and development costs	(75.6)	(69.8)	(63.5)
Advertising expense	(108.9)	(103.2)	(128.2)
Distribution and administrative expenses	(1,023.4)	(991.3)	(921.7)
OPERATING EXPENSES	**(3,750.9)**	**(3,644.3)**	**(3,508.3)**

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

NOTE 6 EMPLOYEE BENEFITS EXPENSE

(in € millions)	2013	2012	2011 [(a)]
Wages and salaries (excluding temporary staff costs)	(511.5)	(485.1)	(456.0)
Payroll taxes	(121.8)	(119.5)	(116.1)
Pension and other post-employment benefit plan costs	(46.6)	(45.1)	(40.6)
Service cost under defined benefit plans	(8.4)	(7.4)	(7.1)
Discretionary and non-discretionary profit-sharing	(37.2)	(48.2)	(43.9)
TOTAL EMPLOYEE BENEFITS EXPENSE	**(725.5)**	**(705.2)**	**(663.7)**

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

Breakdown by geographical segment 2013	France	Other western European countries (a)	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Total
Employee benefit expenses (excluding temporary staff costs)	(377.8)	(78.0)	(44.1)	(59.5)	(135.4)	(30.7)	(725.5)
Average number of employees *(in units)*	5,849	1,357	680	2,671	13,303	804	24,664

(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.

Breakdown by geographical segment 2012	France	Other western European countries (a)	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Total
Employee benefits expense (excluding temporary staff costs)	(375.6)	(77.1)	(44.2)	(63.7)	(115.6)	(29.2)	(705.2)
Average number of employees *(in units)*	5,901	1,394	684	2,692	12,334	718	23,723

(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.

Breakdown by geographical segment 2011	France	Other western European countries (a)	North America	South America	Asia-Pacific (c)	Central Europe, Russia and other countries	Total
Employee benefits expense (excluding temporary staff costs) (b)	(368.8)	(76.0)	(39.5)	(61.6)	(90.6)	(27.2)	(663.7)
Average number of employees *(in units)*	5,868	1,407	681	2,816	12,467	669	23,908

(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.
(b) Restated for the application of IAS 19R.
(c) Excluding Asia Fan.

5

Employees by category *(%)*	2013	2012	2011
Direct labour	48.2	48.9	49.2
Other workers	40.4	40.7	40.8
Managers	11.4	10.4	10.0
TOTAL	**100.0**	**100.0**	**100.0**

NOTE 7 OTHER OPERATING INCOME AND EXPENSE

(in € millions)	2013	2012	2011
Restructuring costs	(9.0)	(1.9)	(5.6)
Impairment losses	(0.5)	(1.0)	(13.5)
Gains and losses on asset disposals and other		3.3	10.2
OTHER OPERATING INCOME AND EXPENSE	**(9.5)**	**0.4**	**(8.9)**

Note 7.1. RESTRUCTURING COSTS

2013

In 2013, restructuring costs amounted to €9 million, including:

- a rescaling of the Retail business in South America (Brazil, Chile, Peru) at a cost of approximately €3.6 million;
- reorganisation of the US sales force at a cost of €3.4 million;
- a €0.6 million expense to cover changes to length-of-service awards in France;
- an additional €0.6 million linked to the ongoing restructuring at the Omegna site in Italy launched in 2009.

2012

Restructuring costs in 2012 amounted to approximately €4 million and mainly concerned Brazil, Colombia, Spain and Italy. No single plan represented a material cost. A net €1.9 million was released from provisions for early retirement plan costs in France.

2011

In 2011, restructuring costs amounted to €5.6 million, including:

- an additional cost of €1.2 million recorded in France due to the pension reform that extended the period during which the Group will incur expenses under its early retirement plans;
- in Brazil and Argentina, penalties of €1.6 million and €1.0 million respectively incurred due to the termination of contracts with external sales representatives following the Group's decision to insource all of its sales forces;
- in the Netherlands, a €1.7 million provision set aside for restructuring costs to be incurred as part of the project to streamline the Group's supply chain and after sales services in Western Europe.

Note 7.2. IMPAIRMENT LOSSES

2013

In application of the principle described in Note 1.4.3, certain manufacturing CGUs were tested for impairment by comparing the carrying amount of the assets of each CGU with their value in use. The value in use calculations were performed based on the sum of discounted future cash flows expected to be derived from the assets concerned as contained in the five-year business plan as well as a terminal value determined by extrapolating the cash flows forecast for the last year of the plan. All CGUs comprising intangible assets with an indefinite useful life were tested for impairment at the yearend and CGUs comprising assets with finite useful lives were only tested when there was an indication that they may have been impaired. The main impairment tests and CGUs concerned are discussed in Note 11 – Intangible Assets.

In 2013, no material impairment losses were recorded.

The main actuarial assumptions used in 2013 for impairment tests on the manufacturing CGUs in Europe were as follows:

- the weighted average cost of capital was estimated at 7.52% (versus 7.75% in 2012 and 8.49% in 2011);
- the long-term growth rate beyond the five-year period covered by the business plan was set between 0% and +2%, depending on the business of the CGU concerned (unchanged for the past three years).

The tests performed on the European manufacturing CGUs in late 2013 generally showed little sensitivity to changes in financial assumptions (WACC and long-term growth), as production volumes for the year were at a satisfactory level.

2012

In 2012, no material impairment losses were recorded.

2011

The main impairment loss recognised in 2011 was an additional €7.2 million write-down of All-Clad goodwill on top of what was already recorded in late December 2010, for a total amount of €37.7 million. The amount recognised in 2011 reflects the fact that the business plan used as the basis for the impairment test carried out during the year factored in a flat first-half performance for All-Clad caused by the continuing lacklustre environment in the US premium sector. The fairly marked turnaround in All-Clad's performance during the second half of the year – driven by the launch of new cookware ranges – was not sufficient to fully offset this first-half situation.

The Group also recognised other, less significant, impairment losses in 2011 against goodwill relating to Greece and Vietnam, representing an overall amount of €3.2 million.

In addition, a €3.1 million impairment loss was recorded to write down a portion of the manufacturing assets of the Omegna site in Italy.

Note 7.3. GAINS AND LOSSES ON ASSET DISPOSALS AND OTHER

2013

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

2012

In 2012, this item consisted mainly of the €2.1 million gain on a building in Iran that was sold in connection with the liquidation of a former subsidiary.

2011

In 2011 this item mainly included:

- €13.8 million gain recorded in February 2011 on the disposal of Plant 3 in São Paulo, Brazil, following an agreement signed by Groupe SEB do Brasil in August 2008 to sell this facility. The sale was conditional upon the Group providing the purchaser with a decontamination certificate and carrying out certain decontamination works at the site. These works were performed in 2009 and 2010;
- €1.5 million in compensation received in settlement of the Pentalpha dispute;
- €1 million in expenses related to acquisitions carried out during the year;
- €4 million net expense recognised in relation to new and settled disputes, none of which represented a material amount.

NOTE 8 FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

(in € millions)	2013	2012	2011 (a)
FINANCE COSTS	**(31.0)**	**(29.3)**	**(19.1)**
Interest cost on long-term employee benefit obligations	(4.7)	(6.3)	(4.8)
Exchange gains and losses	(7.2)	9.9	(0.5)
Financial instruments	5.4	(3.0)	0.1
Other	(17.4)	(34.0)	(2.6)
OTHER FINANCIAL INCOME AND EXPENSE	**(23.9)**	**(33.4)**	**(7.8)**

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

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

Exchange gains and losses on manufacturing and sales transactions denominated in foreign currencies are included in "Operating result from activity" (formerly "Operating margin"). Gains and losses on borrowings in foreign currencies and related hedges are reported under "Other financial income and expense".

Income and expenses from financial instruments correspond to amortization of the time value of hedging instruments, and derivative instruments for which the hedging relationship has not been documented.

In 2012, the line "Other" included a €25.3 million impairment loss recognized on the Group's investment in Maharaja Whiteline that was acquired at the end of 2011 but is not currently consolidated. The impairment loss corresponds to roughly half of the acquisition price of the shares. In 2013, an additional €7.5 million impairment loss was recorded against these shares, largely due to the depreciation of the Indian rupee.

5

NOTE 9 INCOME TAXES

Note 9.1. INCOME TAX EXPENSE

(in € millions)	2013	2012	2011 (a)
Current taxes	94.7	84.9	97.7
Deferred taxes, net	(7.5)	9.3	15.3
INCOME TAX EXPENSE	**87.2**	**94.2**	**113.0**

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

Current income tax expense corresponds to taxes paid or payable in the short term on profit for the year, based on local tax rates and tax laws in the Group's host countries.

Group companies in France, Germany, Italy and the United States have elected for group relief. The companies in each tax group record in their accounts the income tax charge or benefit that they would have paid or received if they had been taxed on a stand-alone basis (Note 33). Tax savings resulting from the election for group relief are not material; the main benefit lies in the fact that any tax losses can be set off immediately against the taxable income of other companies in the tax group.

Note 9.2. EFFECTIVE TAX RATE

The difference between the effective tax rate of 28.2% (30.9% in 2012 and 30.2% in 2011) and the statutory French tax rate of 38% in 2013 (including additional contribution) breaks down as follows:

(in %)	2013	2012	2011 [c]
STATUTORY FRENCH TAX RATE	**38.0**	**36.1**	**36.1**
Effect of different tax rates [a]	(15.5)	(9.4)	(12.3)
Unrecognised and unrelieved tax loss carryforwards	2.4	2.9	2.0
Prior period tax loss carryforwards recognised and utilised during the period	(1.7)	(0.6)	(0.9)
Other [b]	5.0	1.9	5.3
EFFECTIVE TAX RATE	**28.2**	**30.9**	**30.2**

(a) The caption «Effect of difference tax rates» is affected by the large share of profits made in China.

(b) The caption «Other» primarily includes unrecognised deferred tax assets other than for tax losses, changes in deferred tax assets not recognised in prior periods, the 0.8% negative impact of the non-deductible impairment loss on Maharaja Whiteline shares and the new dividend tax (0.6%) as well as some tax adjustments that are not individually material.
In 2012, this caption included the impact of the non-deductible impairment loss on Maharaja Whiteline (2.8%) and, in 2011, the impairment of All-Clad USA goodwill (0.7%).

(c) Restated for the application of IAS 19R.

"Profit before tax" amounted to €308.9 million in 2013, versus €304.9 million and €375.5 million in 2012 and 2011, respectively.

Note 9.3. DEFERRED TAXES ASSETS AND LIABILITIES

(in € millions)	2013	2012	2011 [a]
Intangible assets (brands)	(94.1)	(97.6)	(104.7)
Capitalised development costs	(5.0)	(5.0)	(5.2)
Property, plant and equipment	(33.9)	(39.0)	(37.7)
Net tax loss carryforwards	12.6	15.7	16.9
Provisions for pensions and other employee-related liabilities	46.4	40.1	41.1
Elimination of intra-group gains	20.5	21.7	19.3
Other temporary differences	34.1	29.9	39.6
NET DEFERRED TAX ASSET/(LIABILITY)	**(19.3)**	**(34.2)**	**(30.7)**
Of which:			
Deferred tax assets	52.0	47.9	48.3
Deferred tax liabilities	71.3	82.0	79.0

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

Deferred taxes on other temporary differences principally comprise deferred taxes on the non-deductible portion of provisions.

The change in net deferred taxes on the balance sheet is explained as follows:

(in € millions)	
NET DEFERRED TAXES AT 31/12/2011 [(a)]	**(30.7)**
Deferred taxes for the year recognised in the income statement	(9.3)
Effect of deferred taxes recognised in equity	5.6
Effect of changes in foreign exchange rates	(0.3)
Effect of changes in scope of consolidation	
Other	0.5
NET DEFERRED TAXES AT 31/12/2012	**(34.2)**
Deferred taxes for the year recognised in the income statement	7.5
Effect of deferred taxes recognised in equity	5.8
Effect of changes in foreign exchange rates	2.1
Effect of changes in scope of consolidation	
Other	(0.5)
NET DEFERRED TAXES AT 31/12/2013	**(19.3)**

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

Deferred taxes recognised in equity principally derive from actuarial gains and losses on pension commitments, hedging derivatives and gains or losses on treasury stock

Note 9.4. OTHER INFORMATION

At 31 December 2013, the Group had a number of unrecognised deductible temporary differences and tax loss carryforwards. These amounts are listed per category as well as per expiry date in the table below:

At 31/12/2013 *(in € millions)*	Deductible temporary differences	Tax losses	Total
2014			
2015	0.2		0.2
2016		0.4	0.4
2017			
2018 and beyond	1.3	23.6	24.9
Available indefinitely	0.4	45.4	45.8
TOTAL	**1.9**	**69.3**	**71.2**

Unrecognised tax related to tax loss carryforwards fell from €73.4 million in 2012 to €69.3 million in 2013. It mainly relates to Germany (€26.7 million in 2013, €28.1 million in 2012 and €28 million in 2011), the USA (€22.3 million in 2013, €21.9 million in 2012 and €15.2 million in 2011), Spain (€5.7 million in 2013, €5.7 million in 2012 and €6 million in 2011) and the UK (€4.5 million in 2013, €8.5 million in 2012 and €7.9 million in 2011).

5

NOTE 10 EARNINGS PER SHARE

(in € millions)	2013	2012	2011 [(a)]
Numerator			
Profit attributable to owners of the parent	199.8	194.2	236.1
After tax effect of dilutive potential shares			
Profit used to calculate diluted earnings per share	199.8	194.2	236.1
Denominator			
Weighted average number of ordinary shares used to calculate basic earnings per share	48,343,868	47,718,373	47,886,341
Effect of dilutive potential shares	575,507	640,528	1,156,943
Weighted average number of ordinary shares used to calculate diluted earnings per share	48,919,375	48,358,901	49,043,284
Basic earnings per share (in €)	**4.13**	**4.07**	**4.93**
Diluted earnings per share (in €)	**4.08**	**4.01**	**4.81**

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

Dilutive potential shares correspond mainly to outstanding stock options (see Note 20.2). In 2013, 407,425 stock options were not included in the calculation of earnings per share as they would be earnings enhancing if exercised.

NOTE 11 INTANGIBLE ASSETS

In accordance with IAS 38, intangible assets with an indefinite useful life – corresponding to trademarks and goodwill – are no longer amortised but are tested for impairment at each year-end. The impairment testing method is described in Note 1.4.

Intangible assets with a finite useful life are amortised by the straight-line method over their estimated useful life. Amortisation expense is included in "Operating result from activity".

The Group also holds certain trademarks – such as the Tefal international brand and the Seb and Calor regional brands – which are not recognised in the balance sheet.

2013 *(in € millions)*	Patents and licences	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	19.7	357.8	508.9	71.0	34.5	56.9	1,048.8
Acquisitions and additions	0.1			2.4	4.9	5.4	12.8
Disposals				(1.6)	(2.5)	(0.4)	(4.5)
Other movements [(a)]				5.9	(0.1)	(4.0)	1.8
Translation adjustment	(0.5)	(16.9)	(15.5)	(3.2)	(0.3)	(1.9)	(38.3)
AT 31 DECEMBER	**19.3**	**340.9**	**493.4**	**74.5**	**36.5**	**56.0**	**1,020.6**
Depreciation and impairment losses							
At 1 January	17.3	7.2	47.2	47.9	20.7	13.0	153.4
Translation adjustment	(0.3)	(0.3)	(2.0)	(2.4)	(0.1)	(0.6)	(5.7)
Amortisation of the period	0.2			10.4	5.2	1.5	17.3
Impairment losses						0.1	0.1
Depreciation and impairment written off on disposals				(1.5)	(2.5)		(4.0)
Other movements [(a)]				(0.3)		(0.2)	(0.5)
AT 31 DECEMBER	**17.3**	**6.9**	**45.2**	**54.1**	**23.3**	**13.8**	**160.6**
Carrying amount at 1 January	2.4	350.6	461.7	23.1	13.8	43.9	895.4
CARRYING AMOUNT AT 31 DECEMBER	**2.0**	**334.0**	**448.2**	**20.4**	**13.2**	**42.2**	**860.0**

(a) Including changes in scope of consolidation.

2012 *(in € millions)*	Patents and licences	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	19.8	362.1	512.5	63.7	35.2	66.1	1,059.4
Acquisitions and additions	0.1			4.9	5.6	5.7	16.3
Disposals				(1.8)	(8.0)	(0.9)	(10.7)
Other movements [(a)]	0.1	2.4	(0.7)	5.5	1.8	(13.1)	(3.9)
Translation adjustment	(0.3)	(6.7)	(3.0)	(1.3)	(0.1)	(0.9)	(12.3)
AT 31 DECEMBER	**19.7**	**357.8**	**508.9**	**71.0**	**34.5**	**56.9**	**1,048.8**
Depreciation and impairment losses							
At 1 January	17.1	7.4	48.0	41.7	22.8	12.2	149.2
Translation adjustment	(0.2)	(0.1)	(0.9)	(1.0)		(0.2)	(2.4)
Amortisation of the period	0.3			9.0	5.8	2.0	17.2
Impairment losses							
Depreciation and impairment written off on disposals				(1.7)	(7.9)	(1.1)	(10.7)
Other movements [(a)]	0.1	(0.1)	0.1	(0.1)		0.1	0.1
AT 31 DECEMBER	**17.3**	**7.2**	**47.2**	**47.9**	**20.7**	**13.0**	**153.4**
Carrying amount at 1 January	2.7	354.7	464.5	22.0	12.4	53.9	910.2
CARRYING AMOUNT AT 31 DECEMBER	**2.4**	**350.6**	**461.7**	**23.1**	**13.8**	**43.9**	**895.4**

(a) Including changes in scope of consolidation.

2011 *(in € millions)*	Patents and licences	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	19.9	328.0	445.0	40.6	30.9	70.1	934.5
Acquisitions and additions				7.3	5.2	6.1	18.6
Disposals				(2.6)	(4.4)		(7.0)
Other movements [(a)]		25.7	38.9	18.4	4.4	(13.2)	74.2
Translation adjustment	(0.1)	8.4	28.6		(0.9)	3.1	39.1
AT 31 DECEMBER	**19.8**	**362.1**	**512.5**	**63.7**	**35.2**	**66.1**	**1,059.4**
Depreciation and impairment losses							
At 1 January	16.8	7.1	35.9	30.5	20.6	15.8	126.7
Translation adjustment		0.3	1.7	(1.0)		0.4	1.4
Amortisation of the period	0.3			8.5	6.5	1.8	17.1
Impairment losses			10.4		(0.3)	0.3	10.4
Depreciation and impairment written off on disposals				(2.4)	(4.0)		(6.4)
Other movements [(a)]				6.1		(6.1)	0.0
AT 31 DECEMBER	**17.1**	**7.4**	**48.0**	**41.7**	**22.8**	**12.2**	**149.2**
Carrying amount at 1 January	3.1	320.9	409.1	10.1	10.3	54.3	807.8
CARRYING AMOUNT AT 31 DECEMBER	**2.7**	**354.7**	**464.5**	**22.0**	**12.4**	**53.9**	**910.2**

(a) Including changes in scope of consolidation.

Trademarks and goodwill were tested for impairment according to the method described in Note 1.4.3. by comparing their carrying amount to their value in use, with the exception of the trademarks mentioned below, which were valued using the relief from royalty method.

The discount rates used were based on a weighted average cost of capital that factors in market borrowing rates, gearing ratio, beta and country risk using Damodaran methodology. The mature country risk premium used for 2013 was 5.8%. Specific equity risk premiums ranging from 0.5% to 4.0% were applied to the Group's different CGUs, according to their size, region and other specific characteristics.

Impairment tests in 2013 were generally based on the CGUs' 2014 budgets, which reflect a continuation of the trends observed in 2013.

The All-Clad CGU – including the trademark for €104.9 million and goodwill for €40.6 million at 31 December 2013 – was tested for impairment by comparing its carrying amount to its value in use. The value in use calculations were performed based on the sum of discounted future cash flows expected to be derived from the assets concerned as contained in the five-year business plan as well as a terminal value determined by extrapolating the cash flows forecast for the last year of the plan. The main actuarial assumptions used were as follows:

- a discount rate of 7.49%, slightly lower than the rates of 8.18% applied in 2012 and 9% in 2011, due to a decline in risk-free interest rates;
- a long-term growth rate of 3%, in line with forecasts for the high-end household equipment market, and similar to the rate used since All-Clad was acquired.

This test gave rise to no additional impairment of goodwill in 2013. All-Clad's actual economic performance in 2013 was in line with forecasts.

The sensitivity of the test to changes, taken in isolation, in the assumptions used to calculate the value in use of the All-Clad CGU is as follows:

- use of an 8.74% discount rate (i.e. 1.25 point increase) would have reduced the test margin to zero;
- a 1-point decrease in the growth rate to perpetuity would not result in any additional impairment loss being recognised;
- a 3.8-point fall in operating result from activity for the last year of the business plan, as used to calculate the CGU's terminal value, would reduce the test margin to zero;
- as regards the sales trends for 2014-2018, Group management currently considers the most probable scenario to be based on average annual growth of 3.2%. A revision of sales forecasts to flat over the entire period would result in an additional goodwill impairment loss of €10.8 million.

The Imusa CGU – including the trademark for €20 million and goodwill for €31.4 million at 31 December 2013 – was tested for impairment by comparing its carrying amount to its value in use. The value in use calculations were performed based on the sum of discounted future cash flows expected to be derived from the assets concerned as contained in the five-year business plan as well as a terminal value determined by extrapolating the cash flows forecast for the last year of the plan. The main actuarial assumptions used were as follows:

- a discount rate of 12.14%;
- and a long-term growth rate of 3.5%, in line with forecasts for the high-end household equipment market, and similar to the rate used since Imusa was acquired.

The test did not lead to any impairment loss being recognised.

The sensitivity of test results to changes in the individual assumptions used in 2013 to determine the value in use of the Imusa CGU assets is as follows:

- use of a 12.87% discount rate (i.e. a 0.7 point increase) would have reduced the test margin to zero;
- a 1-point decrease in the growth rate to perpetuity would not result in any additional impairment loss being recognised;
- a 1.3-point fall in operating result from activity for the last year of the business plan, as used to calculate the CGU's terminal value, would reduce the test margin to zero;
- as regards the sales trends for 2014-2018, Group management currently considers the most probable scenario to be average annual growth of 6%. A 10% downward revision of sales forecasts over the entire period would not result in any goodwill impairment loss being recognised.

At 31 December 2013, the Supor CGU (including the trademark for €96.8 million and goodwill for €341.6 million) was compared to its market value. ZJ Supor is listed on the Shenzen stock market and the share is liquid enough to make this a good basis for comparison. At 31 December 2013, Supor shares were trading at RMB14.56. The carrying amount at the same date was RMB11.61 per share.

The brands listed below were tested by the relief from royalty method which consists of discounting the royalty revenues that would be derived from licensing the brands. At 31 December 2013, no impairments were identified. The brands are carried in the balance sheet at 31 December 2012 for the following amounts:

- Arno €29.9 million;
- Lagostina €30.4 million;
- Rowenta €23.2 million;
- Panex €8.2 million;
- Krups €7.8 million;
- and the Imusa USA, Miro, WearEver, AsiaVina and Moulinex brands for €5.3 million, €4.4 million, €2.2 million and €1 million respectively.

The main assumptions used in 2013 were as follows:

- royalty rate: 2% to 5.5% (unchanged from 2012 and 2011);
- discount rate after tax: 6.69% (Rowenta) to 15.12% (Arno) (7.34% to 12.08% in 2012);
- long-term growth rate: 1% to 3% (unchanged from 2012 and 2011).

The Group ran sensitivity analyses on the values in use of all of these assets under different scenarios for cash flows for the years 2014-2018. It also tested the sensitivity of the resulting values in use to different assumptions on discount rate (1% increase) and perpetual growth (1% decrease). The decreases in value in use under each of these simulations would not result in the recognition of an impairment loss on the trademarks concerned in the balance sheet. Also, the margin of these tests is significant.

For the Lagostina brand, the sensitivity of the test to individual changes in the assumptions made is as follows:

- the royalty rate used in the test was 5.5% (determined by an independent expert when Lagostina was acquired). The use of 2.3% royalty rate would have reduced the test margin to zero;
- a 3.9-point increase in the discount rate applied (8.9% in 2013) would have reduced the margin to zero;
- a 35% downward revision to sales forecasts for 2014-2018 would have reduced the test margin to zero.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

2013 *(in € millions)*	Land	Buildings	Machinery and equipment	Other	Assets in progress	Total
Cost						
At 1 January	32.6	331.0	844.9	128.0	52.3	1,388.8
Acquisitions and additions	0.1	17.7	46.5	13.6	36.3	114.2
Disposals	(0.5)	(11.3)	(17.6)	(12.5)	(0.4)	(42.3)
Other movements [(a)]	1.0	2.5	30.5	5.8	(41.9)	(2.1)
Translation adjustment	(2.5)	(7.7)	(21.0)	(5.2)	(0.9)	(37.3)
AT 31 DECEMBER	**30.7**	**332.2**	**883.3**	**129.7**	**45.4**	**1,421.3**
Depreciation and impairment losses						
At 1 January	6.9	173.6	629.0	88.0		897.4
Translation adjustment		(3.2)	(14.9)	(3.4)		(21.5)
Amortisation of the period	0.3	13.0	66.9	13.7		93.9
Impairment losses						
Depreciation and impairment written off on disposals	(0.1)	(7.9)	(16.0)	(11.0)		(35.0)
Other movements [(a)]		(1.3)	0.7	1.1		0.5
AT 31 DECEMBER	**7.1**	**174.2**	**665.7**	**88.4**		**935.4**
Carrying amount at 1 January	25.7	157.5	215.9	40.0	52.3	491.4
CARRYING AMOUNT AT 31 DECEMBER	**23.6**	**158.0**	**217.6**	**41.3**	**45.4**	**485.9**

(a) Including changes in scope of consolidation.

At 31 December 2013, no material impairment losses had been recognised on property, plant and equipment.

5

2012 *(in € millions)*	Land	Buildings	Machinery and equipment	Other	Assets in progress	Total
Cost						
At 1 January	32.1	317.6	819.0	124.4	45.7	1,338.9
Acquisitions and additions		8.8	43.0	10.9	48.6	111.3
Disposals		(6.5)	(41.7)	(10.9)	(1.1)	(60.1)
Other movements (a)	0.5	13.4	30.1	3.6	(40.6)	7.0
Translation adjustment		(2.3)	(5.6)		(0.3)	(8.2)
AT 31 DECEMBER	**32.6**	**331.0**	**844.9**	**128.0**	**52.3**	**1,388.8**
Depreciation and impairment losses						
At 1 January	6.4	166.0	608.9	82.2		863.4
Translation adjustment		(1.1)	(3.9)	(0.2)		(5.2)
Amortisation of the period	0.4	13.6	65.6	14.0		93.6
Impairment losses						
Depreciation and impairment written off on disposals		(5.0)	(41.0)	(10.3)		(56.3)
Other movements (a)	0.1	0.1	(0.6)	2.3		1.9
AT 31 DECEMBER	**6.9**	**173.6**	**629.0**	**88.0**		**897.4**
Carrying amount at 1 January	25.7	151.7	210.2	42.2	45.7	475.5
CARRYING AMOUNT AT 31 DECEMBER	**25.7**	**157.5**	**215.9**	**40.0**	**52.3**	**491.4**

(a) Including changes in scope of consolidation.

2011 *(in € millions)*	Land	Buildings (b)	Machinery and equipment	Other	Assets in progress	Total
Cost						
At 1 January	24.3	284.9	729.5	112.0	63.1	1,213.8
Acquisitions and additions	0.1	8.7	39.8	12.0	52.0	112.6
Disposals	(0.2)	(9.0)	(28.3)	(11.0)	(9.7)	(58.2)
Other movements (a)	8.2	27.8	73.2	11.1	(59.4)	60.9
Translation adjustment	(0.3)	5.2	4.8	0.3	(0.3)	9.7
AT 31 DECEMBER	**32.1**	**317.6**	**819.0**	**124.4**	**45.7**	**1,338.8**
Depreciation and impairment losses						
At 1 January	6.2	158.3	549.5	73.5		787.5
Translation adjustment		0.4	1.3	0.2		1.9
Amortisation of the period	0.2	12.7	58.6	12.5		84.0
Impairment losses		0.6	1.5			2.1
Depreciation and impairment written off on disposals		(5.3)	(26.3)	(10.4)		(42.0)
Other movements (a)		(0.7)	24.2	6.4		29.9
AT 31 DECEMBER	**6.4**	**166.0**	**608.8**	**82.2**		**863.4**
Carrying amount at 1 January	18.1	126.7	180.0	38.5	63.1	426.4
CARRYING AMOUNT AT 31 DECEMBER	**25.7**	**151.7**	**210.2**	**42.2**	**45.7**	**475.5**

(a) Including changes in scope of consolidation.
(b) After a reclassification in 2010 between cost and accumulated depreciation with no impact on carrying amount.

Most of the Group's operations are in 28 major industrial sites, distributed as follows:

Region	Country	Plant	Main products
France	France	Rumilly	Cookware, informal meal appliances, scales
		Tournus	Cookware
		Selongey	Pressure cookers
		Pont-Évêque	Irons, steam generators, hair removal systems
		Is-sur-Tille	Deep fryers, ovens
		Saint Jean de Bournay	Plastic components
		Lourdes	Meat grinders and small food preparation appliances
		Mayenne	Food processors, blenders, full-automat espresso machines
		Saint-Lô	Electronic components
		Vernon	Vacuum cleaners
Western Europe	Germany	Erbach	Steam irons
	Italy	Omegna	Cookware
North America	United States	Canonsburg	Cookware
South America	Brazil	São Paulo	Washing machines, blenders, fans
		São Bernardo	Cookware
		Recife	Fans, washing machines, blenders
	Colombia	Cajica	Blenders, fans
		Rio Negro	Cookware
		Copacabana	Plastic items
Asia-Pacific	China	Shanghai	Steam irons, steamers, kettles
		Yuhuan	Cookware
		Wuhan	Cookware
		Hangzhou	Induction hotplates, rice cookers
		Shaoxing	Kettles, electric pressure cookers, induction hotplates, deep fryers, breadmakers, coffee machines, soya milk extractors
	Vietnam	Vinh Loc	Fans
		Binh duong	Components
		Ho Chi Minh	Cookware
Other countries	Russia	Saint-Petersburg	Cookware

The Group owns all of its plants, except for those in São Bernardo (Brazil) and Shanghai (China).

Logistics warehouses and commercial and office buildings are generally leased, except for the Group's headquarters building in Écully.

All leases are with unrelated lessors and reflect normal market terms. At 31 December 2013, the aggregate carrying amount of property, plant and equipment held for sale was €1.3 million (€2.6 million at 31 December 2012 and €3.4 million at 31 December 2011).

NOTE 13 LEASES

Finance leases can be analysed as follows:

Carrying amounts *(in € millions)*	**2013**	2012	2011
Land			
Buildings		0.6	0.5
Machinery and equipment	2.1	2.2	3.5
Other	0.9	0.3	0.7
CARRYING AMOUNT	**3.1**	**3.1**	**4.7**

These amounts are included in the tables in Note 12 – Property, plant and equipment.

Groupe SEB does not have any finance leases related to intangible assets or investment property.

Commitments under finance leases and non-cancellable operating leases are as follows:

2013 *(in € millions)*	Finance leases	Operating leases
LEASE COMMITMENTS		
Due within one year	1.1	40.2
Due in one to five years	1.9	77.3
Due beyond 5 years	0.1	7.8
TOTAL MINIMUM FUTURE LEASE PAYMENTS	**3.1**	**125.3**
Future interest costs	0.2	
DISCOUNTED PRESENT VALUE OF LEASE COMMITMENTS	**2.9**	**125.3**

Lease payments recorded in expenses for the year are as follows:

(in € millions)	**2013**	2012	2011
Lease payments	67.1	61.2	49.7

NOTE 14 INVESTMENTS IN ASSOCIATES, OTHER INVESTMENTS AND OTHER NON-CURRENT FINANCIAL ASSETS

Note 14.1. INVESTMENTS

14.1.1. Investments in associates

The Group does not hold any investments in associates.

14.1.2. Other investments

At 31 December 2013, "Other investments" consisted of the Group's investment in the Indian company Maharaja Whiteline, acquired at the end of 2011, but still not consolidated at 31 December 2013, and the equity investment in Coranco, acquired in December 2013 (see Note 3.1.).

Note 14.2. OTHER NON-CURRENT FINANCIAL ASSETS

These assets mainly comprise guarantee deposits, chiefly for property leases.

NOTE 15 PRODUCT DEVELOPMENT COSTS

(in € millions)	2013	2012	2011
RESEARCH AND DEVELOPMENT EXPENDITURE	**80.5**	**75.4**	**68.7**
as a % of revenue	1.9%	1.9%	1.7%
CAPITALISED DEVELOPMENT COSTS	**(4.9)**	**(5.6)**	**(5.2)**
as a % of R&D expenditure	6.1%	7.4%	7.6%
RESEARCH AND DEVELOPMENT COSTS RECOGNISED DIRECTLY IN THE INCOME STATEMENT (Note 5)	**(75.6)**	**(69.8)**	**(63.5)**
AMORTISATION FOR THE PERIOD RECOGNISED IN COST OF SALES	**(5.2)**	**(5.8)**	**(6.6)**
TOTAL COST RECOGNISED IN THE INCOME STATEMENT	**(80.8)**	**(75.6)**	**(70.1)**
as a % of revenue	1.9%	1.9%	1.8%

In 2013, research and development expenditure totalled €80.5 million, compared with €75.4 million in 2012.

Research tax credits deducted from the amounts above stood at €6.8 million in 2013, versus €7 million in 2012 and €5.6 million in 2011.

Capitalised development costs amounted to €4.9 million, versus €5.6 million in 2012 and €5.2 million in 2011.

In all, research and development costs recognised in the income statement came to €80.8 million, versus €75.6 million in 2012 and €70.1 million in 2011.

NOTE 16 INVENTORIES

	2013			2012			2011		
(in € millions)	Cost	Depreciation	Carrying amount	Cost	Depreciation	Carrying amount	Cost	Depreciation	Carrying amount
Raw materials	190.8	(9.8)	181.0	189.4	(9.2)	180.2	199.2	(9.6)	189.6
Work in progress	6.2	(0.3)	5.9	7.5	(0.1)	7.4	9.1	(0.1)	9.0
Finished products and goods purchased for resale	566.0	(21.8)	544.2	509.0	(15.6)	493.4	518.1	(14.5)	503.6
TOTAL	**763.0**	**(31.9)**	**731.1**	**705.9**	**(24.9)**	**681.0**	**726.4**	**(24.2)**	**702.2**

NOTE 17 TRADE RECEIVABLES

(in € millions)	2013	2012	2011
Trade receivables (including discounted bills)	752.4	849.6	849.1
Provision for doubtful debt	(12.2)	(13.8)	(20.7)
CARRYING AMOUNT	**740.2**	**835.8**	**828.4**

The fair value of trade receivables is equivalent to their carrying amount, in view of their short maturities.

A receivables aging analysis is presented in Note 27.4.

NOTE 18 OTHER NON-CURRENT ASSETS AND OTHER RECEIVABLES

(in € millions)	2013	2012	2011
OTHER NON-CURRENT ASSETS	**6.0**	**9.0**	**7.7**
Prepaid expenses	7.1	8.3	11.3
Prepaid and recoverable taxes and other receivables	109.6	75.5	60.3
OTHER RECEIVABLES	**116.7**	**83.8**	**71.6**

The fair value of other non-current assets and other receivables is equivalent to their carrying amount.

At 31 December 2012, other non-current assets and other receivables broke down as follows:

(in € millions)	Other receivables	Other non-current assets	Total
Prepaid expenses	7.1	1.1	8.2
Prepaid and recoverable taxes and other	109.6	4.8	114.4
CARRYING AMOUNT	**116.7**	**6.0**	**122.6**

NOTE 19 CASH AND CASH EQUIVALENTS

(in € millions)	2013	2012	2011
Cash	426.3	253.6	183.5
Marketable securities		145.1	12.5
CARRYING AMOUNT	**426.3**	**398.7**	**196.0**

Cash equivalents at 31 December 2013 consist mainly of very short-term investments, such as SICAV money market funds, whose market value corresponds to their carrying amount at the balance sheet date.

NOTE 20 EQUITY

Note 20.1. SHARE CAPITAL

At 31 December 2013 and 2012, the share capital was made up of 50,169,049 shares with a par value of €1.

In 2012, capital was increased by 217,223 new shares, issued on 15 November 2012 under the employee shareholding plan.

At 31 December 2011, the share capital was made up of 49,951,826 shares with a par value of €1.

One class of shares carries double voting rights and the right to a supplementary dividend. Shares acquire double voting rights when they are fully paid-up and have been registered in the name of the same owner for five years.

After deducting treasury shares, the weighted average number of shares outstanding in 2013 was 48,343,868 (47,718,373 in 2012 and 47,886,341 in 2011).

At 31 December 2013, 42.63% of share capital was held by the family group (of which 22.54% by FÉDÉRACTIVE: and 20.09% by VENELLE INVESTISSEMENT), representing 57.73% of the voting rights.

Note 20.2. SHARE-BASED PAYMENTS

20.2.1. Stock options

Information about stock option plans at 31 December 2013 is provided below:

STOCK OPTIONS

At 31/12/2013	Date			Number of options (a)				Exercise price (a)
Type	of grant [b]	of exercise	of expiry	Granted	Exercised	Cancelled	Outstanding	(in)
Purchase plan	08/04/2005	08/04/2009	08/04/2013	554,700	531,000	23,700	-	28.00
Purchase plan	16/06/2006	16/06/2010	16/06/2014	589,798	546,926	14,707	28,165	29.33
Purchase plan	20/04/2007	20/04/2011	20/04/2015	579,150	358,889	8,100	212,161	44.00
Purchase plan	13/05/2008	13/05/2012	13/05/2016	1,005,900	375,500	47,400	583,000	38.35
Purchase plan	12/06/2009	12/06/2013	12/06/2017	371,300	156,565	15,266	199,469	28.05
Purchase plan	18/06/2010	18/06/2014	18/06/2018	412,592	-	10,288	402,304	53.86
Purchase plan	15/06/2012	15/06/2016	15/06/2020	408,925	-	1,500	407,425	54.12
TOTAL				**3,922,365**	**1,968,880**	**120,961**	**1,832,524**	
of which, movements in 2013				0	702,573	18,066	(720,639)	

(a) The number of options and the exercise price for plans prior to 16 June 2008 were adjusted following the three-for-one stock split that took place on 16 June 2008.
(b) The grant date corresponds to the date of the Board Meeting when the option grants were decided.

In accordance with IFRS 2 – Share-Based Payment, stock options are measured at the grant date. The valuation method used is based on the Black & Scholes option pricing model. The initial valuation is not adjusted for any subsequent changes in value after the grant date.

The value is recognised in employee benefits expense on a straight-line basis over the option vesting period by adjusting equity.

The amount recognised in employee benefits expense in 2013 in respect of stock options was €2.7 million, versus €2.8 million in 2012 and €3.9 million in 2011. The assumptions used to value options under the Black & Scholes model are as follows:

	2012 plan	2010 Plan	2009 Plan
INITIAL VALUE *(in € millions)*	**5.0**	**4.5**	**2.1**
AMOUNT RECOGNISED IN EMPLOYEE BENEFITS EXPENSE IN 2013 *(in € millions)*	**1.4**	**1.1**	**0.2**
ASSUMPTIONS			
Share price at the option grant date *(in €)*	51.00	55.00	29.73
Volatility	28.0%	25.0%	26.0%
Risk-free interest rate	2.80%	3.40%	3.50%
Exercise price *(in €)*	54.12	53.86	28.05
Life of the options *(in years)* [a]	5	5	5
Dividend rate	2.3%	2.8%	3.0%

(a) Corresponding to the average exercise period.

20.2.2. Performance shares

In 2012 and 2013, the Board of Directors granted performance shares to certain employees and to the Chief Executive Officer.

Shares granted under the plans are subject to vesting periods of two years (2012 plan) or three years (2013 plan) and certain performance obligations.

The performance targets concern growth in revenue and operating result from activity and are the same as those used to determine senior management bonuses. Vested shares are subject to a two-year lock-up.

Further information on the performance share plans is provided in the table below:

At 31/12/2013	Date			Number of shares				
Type	of grant (a)	of vesting	of end of lock-up	Granted	Vested	Cancelled	Outstanding	Share price at grant date (b)
Performance shares	15/06/2012	15/06/2014	15/06/2016	63,938	0	374	63,564	51.00
Performance shares	23/07/2013	23/07/2016	23/07/2018	233,475	0	0	233,475	63.00
				296,873		374	297,039	

(a) The grant date corresponds to the date of the Board Meeting when the performance share grants were decided.
(b) Opening share price on the date of the Board Meeting when the performance share grants were decided.

The fair value of performance shares includes a discount to reflect the impact of the restriction on the sale of the shares represented by the lock-up. The measurement method used to determine this discount is based on a strategy that consists of selling the shares under a four-year forward contract (corresponding to the vesting/lock-up period) and immediately purchasing an equivalent number of shares free of any restrictions, with the purchase financed by debt repayable at the end of the lock-up using the proceeds from the forward sale and dividends received during the lock-up period.

The main assumptions used to determine the fair value of performance shares were as follows:

	2013 plan	2012 plan
ASSUMPTIONS		
Share price on the grant date *(in €)*	63.00	51.00
Risk-free interest rate (five-year rate in 2013 and four-year rate in 2012)	2.10%	2.20%
Average interest rate on a four-year general purpose loan	5.10%	6.50%
Dividend rate	2.30%	2.70%
Discount for the lock-up *(% of the price on the vesting date)*	19.97%	20.17%
INITIAL VALUE *(in € millions)*	**11.8**	**2.6**
AMOUNT RECOGNISED IN EMPLOYEE BENEFITS EXPENSE IN 2013 *(in € milllions)*	**2.0**	**1.3**

Note 20.3. RESERVES AND RETAINED EARNINGS (BEFORE APPROPRIATION OF PROFIT)

Reserves and retained earnings include the reserves recorded in the balance sheet of SEB S.A. (of which €862 million available for distribution at 31 December 2013, €775 million at 31 December 2012 and €766 million at 31 December 2011), and SEB S.A.'s share of the post-acquisition retained earnings of consolidated subsidiaries.

SEB S.A.'s share of the retained earnings of foreign subsidiaries is considered as being permanently reinvested and withholding taxes or additional taxes on distributed income are recognised only when distribution of these amounts is planned or considered probable.

Note 20.4. TREASURY STOCK

The Group buys back shares for the following purposes:

- for cancellation in order to reduce the company's capital;
- for allocation to employees, managers or senior executives of the company or of related companies upon exercise of stock options or vesting of performance shares;
- for delivery on redemption, conversion, exchange or exercise of share equivalents.

Share buybacks are carried out based on market opportunities and only when the Group has sufficient cash to fund the transactions.

In 2013, the Group bought back 867,814 shares at a weighted average price of €59.73 and sold 1,505,569 shares at an average price of €48.49 on the market. The after-tax gain on the sales, in the amount of €3.1 million, was recognised directly in equity without affecting profit for the period.

At 31 December 2013, the Group had 1,412,347 shares in treasury acquired at an average price of €52.85.

Movements in treasury stock were as follows:

(in number of shares)	2013	2012	2011
Shares held in treasury at 1 January	2,050,102	2,331,797	1,980,698
Purchases			
Buyback plan	54,075	404,510	671,591
Liquidity contract	813,739	674,152	319,929
Sales			
Shares sold on the market	(802,996)	(663,116)	(315,208)
Shares allocated on exercise of stock options, and under the performance share and employee share ownership plans	(702,573)	(697,241)	(325,213)
Shares cancelled during the period			
SHARES HELD IN TREASURY AT 31 DECEMBER	**1,412,347**	**2,050,102**	**2,331,797**

NOTE 21 NON-CONTROLLING INTERESTS

Changes in non-controlling interests are as follows:

(in € millions)	2013	2012	2011
AT 1 JANUARY	**130.3**	**123.4**	**173.1**
Non-controlling interests in profit	22.0	16.5	26.4
Dividends paid	(7.5)	(5.9)	(8.4)
Exercise of stock options			
Non-controlling interests in share issues by subsidiaries	0.7		
Changes in scope of consolidation and acquisition by the Group of non-controlling interests in subsidiaries	(0.2)	(1.6)	(82.7)
Translation adjustment	(2.7)	(2.1)	15.0
AT 31 DECEMBER	**142.6**	**130.3**	**123.4**

Since 31 December 2008, non-controlling interests have primarily concerned ZJ Supor and changes since that date have mainly reflected changes in ZJ Supor's retained earnings, corresponding essentially to recognition of profit for the period and the effect of translating the company's financial statements. However, changes may occur exceptionally as a result of purchases, sales or any other voluntary adjustments to the Group's interest in ZJ Supor.

The decrease in non-controlling interests in 2011 was directly attributable to the Group's acquisition of an additional 20% stake in ZJ Supor from minority shareholders, for €406 million. The carrying amount of the non-controlling interests transferred to the Group as a result of this transaction was €83.8 million.

NOTE 22 OTHER PROVISIONS

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

	2013		2012		2011	
(in € millions)	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Pension and other post-employment benefit obligations (Note 23)	133.9	7.7	135.0	6.6	112.7	7.3
Product warranties (Note 22.1)	5.9	18.3	4.5	22.8	3.5	25.8
Claims and litigation and other contingencies (Note 22.2)	32.5	15.3	34.3	16.0	31.7	22.3
Restructuring provisions (Note 22.3)	8.6	4.3	5.9	5.0	9.9	6.7
TOTAL	**180.9**	**45.6**	**179.7**	**50.6**	**157.8**	**62.1**

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

(in € millions)	01/01/2013	Increases	Reversals	Utilisations	Other movements [(a)]	31/12/2013
Product warranties (Note 22.1)	27.3	15.3	3.2	14.2	(1.0)	24.2
Claims and litigation and other contingencies (Note 22.2)	50.3	11.7	5.7	5.3	(3.2)	47.8
Restructuring provisions (Note 22.3)	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.

(in € millions)	01/01/2012	Increases	Reversals	Utilisations	Other movements [(a)]	31/12/2012
Product warranties (Note 22.1)	29.3	13.8	1.3	14.7	0.2	27.3
Claims and litigation and other contingencies (Note 22.2)	54.0	12.7	7.2	8.0	(1.2)	50.3
Restructuring provisions (Note 22.3)	16.6	1.3	1.9	5.9	0.8	10.9
TOTAL	**99.9**	**27.8**	**10.4**	**28.6**	**(0.2)**	**88.5**

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

(in € millions)	01/01/2011	Increases	Reversals	Utilisations	Other movements [(a)]	31/12/2011
Product warranties (Note 22.1)	34.9	17.0	4.0	18.0	(0.6)	29.3
Claims and litigation and other contingencies (Note 22.2)	50.4	21.1	9.6	11.1	3.2	54.0
Restructuring provisions (Note 22.3)	29.0	5.7	16.9	1.3	0.1	16.6
TOTAL	**114.3**	**43.8**	**30.5**	**30.4**	**2.7**	**99.9**

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

Note 22.1. PRODUCT WARRANTIES

Provisions are recorded for the estimated cost of repairing or replacing products sold under warranty to customers and consumers. The warranty, which is either legal or contractual, is generally for a period of one or two years. Provisions for product recalls are recorded as soon as the recall is decided.

Note 22.2. CLAIMS AND LITIGATION AND OTHER CONTINGENCIES

Certain subsidiaries are involved in claims and litigation with third parties. The corresponding provisions have been determined in accordance with the principle described in Note 1.4.

At 31 December, this item included:

(in € millions)	2013	2012	2011
Supplier claims and litigation	2.5	1.5	5.5
Local government claims, litigation and contingencies	14.6	15.0	14.5
Commercial claims, litigation and contingencies	1.7	4.4	4.4
Employee claims, litigation and contingencies	12.7	12.7	13.6
Sales returns		0.4	0.6
Other claims, litigation and contingencies	16.3	16.3	15.4
TOTAL	**47.8**	**50.3**	**54.0**

Except for the litigation described in Note 30.1.2., all items included in "Other claims, litigation and contingencies" are individually immaterial.

Note 22.3. RESTRUCTURING PROVISION

Restructuring provisions break down as follows:

(in € millions)	2013	2012	2011
Severance costs	12.4	9.9	14.9
Site closure costs	0.5	1.0	1.7
TOTAL	**12.9**	**10.9**	**16.6**

The short-term portion of 2013 restructuring provisions amounted to €4.4 million. The remaining €8.5 million concern costs expected to be incurred over the next one to five years, mainly for early retirement schemes and for rent on sites no longer being used.

NOTE 23 EMPLOYEE BENEFITS

Note 23.1. ASSUMPTIONS

Provisions for pension and other post-employment benefit obligations, determined as explained in Note 1.4, mainly concern France and Germany. The obligations are estimated by qualified actuaries using a certain number of assumptions. These assumptions are revised once a year.

Discount rates are determined based on the yields of investment grade corporate bonds with maturities that match the remaining life of the benefit obligations at the measurement date.

Assumptions	France 2013	Germany 2013
Economic assumptions		
Rate of salary increases	3% and 4%	2.50%
Discount rate (based on Iboxx AA)	3.00% and 2.50%	3.00%
Average remaining service life of participating employees	Variable, depending on the entity	11 to 16 years
Demographic assumptions		
Retirement age	60 to 65 (a)	65 years old
Staff turnover	0% to 8%	
Mortality tables	INSEE TD/TV 2009-2011	HEUBECK RT 2005 G

(a) Depending on the age of employees and their category (management or other).

Assumptions	France 2012	Germany 2012
Economic assumptions		
Rate of salary increases	3.00%	2.50%
Discount rate	3.20%	3.20%
Average remaining service life of participating employees	Variable, depending on the entity	6 to 9 years
Demographic assumptions		
Retirement age	60 to 65 (a)	RRG 2007
Staff turnover	0% to 7%	
Mortality tables	INSEE TV 2008-2010	HEUBECK RT 2005 G

(a) Depending on the age of employees and their category (management or other).

Assumptions	France 2011	Germany 2011
Economic assumptions		
Rate of salary increases	3.00%	2.50%
Discount rate	4.75%	4.75%
Average remaining service life of participating employees	Variable, depending on the entity	6 to 9 years
Demographic assumptions		
Retirement age	60 to 65 (a)	RRG 2007
Staff turnover	0% to 11%	
Mortality tables	INSEE TV 2007-2009	HEUBECK 2005 G

(a) Depending on the age of employees and their category (management or other).

Note 23.2. ANALYSIS OF PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

The total obligation breaks down as follows:

	2013			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	112.7	67.7	32.9	213.3
Present value of plan assets	(49.1)	(3.5)	(19.1)	(71.7)
DEFICIT	**63.6**	**64.2**	**13.8**	**141.6**
Recognised liability	63.6	64.2	13.8	141.6
Recognised asset				
NET	**63.6**	**64.2**	**13.8**	**141.6**

	2012			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	105.1	67.5	37.1	209.7
Present value of plan assets	(45.8)	(3.1)	(19.2)	(68.1)
DEFICIT	**59.3**	**64.4**	**17.9**	**141.6**
Recognised liability	59.3	64.4	17.9	141.6
Recognised asset				
NET	**59.3**	**64.4**	**17.9**	**141.6**

	2011 (a)			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	82.8	57.7	28.5	169.0
Present value of plan assets	(32.1)	(2.8)	(14.0)	(48.9)
DEFICIT	**50.7**	**54.9**	**14.5**	**120.1**
Recognised liability	50.7	54.9	14.5	120.1
Recognised asset				
NET	**50.7**	**54.9**	**14.5**	**120.1**

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

Obligations for the payment of jubilees were €7 million at 31 December 2013, €6.5 million at 31 December 2012 and €5.7 million at 31 December 2011.

Note 23.3. RECOGNISED COST

The cost recognised in the income statement for pension and other post-employment benefit plans breaks down as follows:

	2013			
(in € millions)	France	Germany	Other countries	Total
Service cost	6.4	0.5	1.4	8.3
Interest cost	3.7	2.1	1.0	6.8
Expected return on plan assets	(1.4)	(0.1)	(0.6)	(2.1)
Other				
COST FOR THE PERIOD	**8.7**	**2.5**	**1.8**	**13.0**

	2012			
(in € millions)	France	Germany	Other countries	Total
Service cost	5.1	0.4	2.0	7.5
Interest cost	4.6	2.6	0.9	8.1
Expected return on plan assets	(1.4)	(0.1)	(0.7)	(2.2)
Other			(0.2)	(0.2)
COST FOR THE PERIOD	**8.3**	**2.9**	**2.0**	**13.2**

	2011 (a)			
(in € millions)	France	Germany	Other countries	Total
Service cost	5.0	0.4	1.3	6.7
Interest cost	3.2	2.4	0.9	6.5
Expected return on plan assets	(1.4)		(0.6)	(2.0)
Other	(0.1)	0.3	(1.0)	(0.8)
COST FOR THE PERIOD	**6.7**	**3.1**	**0.6**	**10.4**

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

Note 23.4. CHANGE IN GAINS AND LOSSES RECORDED IN OTHER COMPREHENSIVE INCOME

	2013			
(in € millions)	France	Germany	Other countries	Total
At 1 January	38.0	14.7	7.2	59.9
Actuarial gains and losses	3.4	1.5	(3.5)	1.4
Actual return on plan assets greater than/(less than) expected return	(2.2)		0.2	(2.0)
AT 31 DECEMBER	**39.2**	**16.2**	**3.9**	**59.3**

5

Actuarial gains and losses for the period were mainly due to changes in the discount rate.

(in € millions)	2012 France	Germany	Other countries	Total
At 1 January	23.1	3.9	3.2	30.2
Actuarial gains and losses	16.4	10.8	4.0	31.2
Actual return on plan assets greater than/(less than) expected return	(1.5)			(1.5)
AT 31 DECEMBER	**38.0**	**14.7**	**7.2**	**59.9**

(in € millions)	2011 France	Germany	Other countries	Total
At 1 January	26.6	7.8	2.9	37.3
Actuarial gains and losses	(3.5)	(3.9)	0.3	(7.1)
Actual return on plan assets greater than/(less than) expected return				
AT 31 DECEMBER	**23.1**	**3.9**	**3.2**	**30.2**

Note 23.5. MOVEMENTS IN PROVISIONS

Movements in provisions for pension and other post-employment benefit obligations break down as follows:

(in € millions)	2013	2012	2011 (b)
Net at 1 January	141.6	120.1	121.2
Cost for the period	13.0	13.2	10.4
Contributions paid	(12.0)	(21.1)	(10.7)
Actuarial gains and losses and other changes (a)	(1.0)	29.4	(0.8)
NET AT 31 DECEMBER	**141.6**	**141.6**	**120.1**

(a) "Other movements" include the effect of changes in scope of consolidation.
(b) Restated for the application of IAS 19R.

Note 23.6. MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS 2013

(in € millions)	France	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2013	**105.1**	**104.6**	**209.7**
Service cost	6.4	1.9	8.3
Interest cost	3.7	3.1	6.8
Benefits paid	(4.7)	(6.9)	(11.6)
Plan amendments			
Actuarial gains and losses	3.1	(1.2)	1.9
Curtailments/settlements	(0.6)		(0.6)
Other	(0.4)	(0.9)	(1.3)
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2013	**112.7**	**100.6**	**213.3**

MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS 2012

(in € millions)	France	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2012	**82.8**	**86.2**	**169.0**
Service cost	5.1	2.4	7.5
Interest cost	3.9	3.5	7.4
Benefits paid	(4.3)	(4.8)	(9.1)
Plan amendments			
Actuarial gains and losses	17.3	16.9	34.2
Curtailments/settlements			
Other	0.3	0.4	0.7
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2012	**105.1**	**104.6**	**209.7**

MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS 2011 [(a)]

(in € millions)	France	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2011	**82.6**	**87.8**	**170.4**
Service cost	5.0	1.7	6.7
Interest cost	3.4	3.5	6.9
Benefits paid	(4.2)	(5.9)	(10.1)
Plan amendments		0.1	0.1
Actuarial gains and losses	(4.0)	(3.1)	(7.1)
Curtailments/settlements		(0.8)	(0.8)
Other		2.9	2.9
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2011	**82.8**	**86.2**	**169.0**

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

5

Note 23.7. ANALYSIS OF PLAN ASSETS

CHANGE IN PLAN ASSETS IN 2013

(in € millions)	France	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2013	**45.8**	**22.3**	**68.1**
Expected return on plan assets	3.6	0.5	4.1
Contributions paid		0.9	0.9
Benefits paid		(0.9)	(0.9)
Actuarial gains and losses and other	(0.3)	(0.2)	(0.5)
PLAN ASSETS AT 31 DECEMBER 2013	**49.1**	**22.6**	**71.7**

CHANGE IN PLAN ASSETS IN 2012

(in € millions)	France	Other countries	Total
PLAN ASSETS AT [1] JANUARY 2012	**32.1**	**16.8**	**48.9**
Expected return on plan assets	3.0	0.8	3.8
Contributions paid	10.9	1.3	12.2
Benefits paid	(0.2)	(0.5)	(0.7)
Actuarial gains and losses and other		3.9	3.9
PLAN ASSETS AT 31 DECEMBER 2012	**45.8**	**22.3**	**68.1**

CHANGE IN PLAN ASSETS IN 2011 [(a)]

(in € millions)	France	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2011	**32.8**	**16.3**	**49.1**
Expected return on plan assets	(0,7)	0.7	
Contributions paid		1.4	1.4
Benefits paid		(0.6)	(0.6)
Actuarial gains and losses and other		(1.0)	(1.0)
PLAN ASSETS AT 31 DECEMBER 2011	**32.1**	**16.8**	**48.9**

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

Plan assets in France are managed by two insurance companies and are invested as follows:

- approximately 50% in the insurance company's general portfolio, primarily composed of government bonds, corporate bonds mostly rated AAA or AA, shares in blue-chip international companies (managed directly) and high-yield office property;
- approximately 10% in bond funds;
- the balance in equity funds.

The return on these funds was 10% in 2013.

The actual return on plan assets for 2013 should be in line with the expected rate and actuarial gains and losses generated in 2014 are not expected to be material.

The only contributions to these plans are paid by the employer. Plan members make no contributions.

Plan assets in other countries primarily comprise funds invested with an insurer amounting to €15.9 million, relating to the obligations of Groupe SEB Nederland.

Note 23.8. OTHER INFORMATION

23.8.1. Cash outflows expected in future periods

Expected cash outflows *(in € millions)*	France	Germany	Total
Within 1 year	3.8	4.0	7.8
1 to 5 years	24.2	16.1	40.3
TOTAL	**28.0**	**20.1**	**48.1**

23.8.2. Expected contributions to plans in the following year

No material contribution is currently planned.

23.8.3. Sensitivity analysis

Use of a discount rate of 2.75% would have had the effect of increasing the projected benefit obligation by approximately €5.1 million. Use of a 3.25% rate would have reduced the obligation by approximately €4.9 million. The impact on 2014 service cost of a change in the projected benefit obligation resulting from the application of either of the above discount rates would not be material.

Changes in other assumptions such as the rate of salary increases or pension rate would have no material impact on the projected benefit obligation.

NOTE 24 TRADE PAYABLES AND OTHER LIABILITIES

(in € millions)	2013	2012	2011
TRADE PAYABLES	**524.8**	**508,0**	**515.6**
Accrued taxes and employee benefits expenses	262.7	250.9	244.5
Due to suppliers of non-current assets	11.5	10.2	14.4
Other payables	10.4	9.5	6.6
OTHER LIABILITIES	**284.6**	**270.6**	**265.5**

At 31 December 2013, trade payables and other liabilities broke down as follows by maturity:

	Current	Non-current	Total
TRADE PAYABLES	**524.8**		**524.8**
Accrued taxes and employee benefits expenses	230.1	32.6	262.7
Due to suppliers of non-current assets	11.5		11.5
Other payables	9.8	0.6	10.4
OTHER LIABILITIES	**251.3**	**33.3**	**284.6**

Non-current accrued taxes and employee benefits expense correspond mainly to employee time savings accounts in France.

5

NOTE 25 BORROWINGS

Note 25.1. TOTAL BORROWINGS

(in € millions)	2013	2012 (a)	2011 (a)
Bonds	298.5	298.5	298.5
Bank borrowings	26.8	48.3	35.2
Finance lease liabilities	2.1	2.0	2.5
Other debt (including private placements)	268.3	269.4	165.1
Non-discretionary profit sharing liability	31.3	35.4	32.8
LONG-TERM BORROWINGS	**627.0**	**653.6**	**534.1**
Bank borrowings	44.6	39.1	114.7
Commercial paper	76.0	90.0	173.3
Current portion of long-term borrowings	94.0	169.5	44.1
SHORT-TERM BORROWINGS	**214.6**	**298.6**	**332.1**
TOTAL BORROWINGS	**841.6**	**952.2**	**866.2**

(a) Reclassification of bond and Schuldschein loan.

At 31 December 2013, Group debt was composed of short-term and long-term borrowings. The Group has diversified its financing sources and borrowings now comprise:

- €267.5 million of private placement notes (Schuldschein loan);
- a €298.5 million bond issue;
- €76.0 million of French commercial paper drawn from a €600 million programme given an A2 short-term rating by Standard & Poors.

At 31 December 2013, the weighted average interest rate on long-term bank borrowings denominated in euros was 4.04%, compared with 4.15% at 31 December 2012.

CHARACTERISTICS OF BORROWINGS (NOMINAL AMOUNTS)

At 31 December 2013 *(in € millions)*	Issuing currency	Due	Outstanding balance	Due: Within 1 year	Due: In 1-5 years	Due: In more than 5 years	Original interest rate	Rate after hedging
Schuldschein loan	EUR	2015	30.0		30.0		Fixed	
Schuldschein loan	EUR	2015	17.5		17.5		Floating Euribor	
Schuldschein loan	EUR	2016	13.5		13.5		Fixed	
Schuldschein loan	EUR	2016	26.5		26.5		Floating Euribor	
Schuldschein loan	EUR	2017	40.0		40.0		Fixed	
Schuldschein loan	EUR	2017	58.0		58.0		Floating Euribor	Fixed
Schuldschein loan	EUR	2017	20.0		20.0		Floating Euribor	Fixed
Schuldschein loan	EUR	2019	57.0			57.0	Fixed	
Schuldschein loan	EUR	2019	5.0			5.0	Floating Euribor	
Bonds	EUR	2016	298.5		298.5		Fixed	
Commercial paper	EUR	2014	76.0	76.0			Floating Euribor	Floating [(a)]
Other bank borrowings (including overdrafts)			157.1	129.5	27.5	0.1	Floating	
Finance lease liabilities			2.9	0.8	2.0	0.1		
Non-discretionary profit sharing liability	EUR		39.6	8.3	31.3			
TOTAL			**841.6**	**214.6**	**564.8**	**62.2**		

(a) A portion of these borrowings is hedged by floating-rate cross-currency swaps to cover subsidiaries' financing needs in their functional currency. Consequently, the interest rates given on such borrowings are those for the main currencies (Note 26.2).

All commercial paper is due in less than three months.

LOAN MATURITIES (UNDISCOUNTED NOMINAL AMOUNTS, INCLUDING ACCRUED INTEREST)

At 31 December 2013 *(in € millions)*	Issuing currency	Due	Scheduled repayments	Due: In less than 1 year	Due: In 1-5 years	In more than 5 years
Schuldschein loan	EUR	2015	33.8	1.9	31.9	
Schuldschein loan	EUR	2015	18.0	0.3	17.7	
Schuldschein loan	EUR	2016	14.3	0.3	14.0	
Schuldschein loan	EUR	2016	27.6	0.5	27.1	
Bonds	EUR	2016	339.0	13.5	325.5	
Schuldschein loan	EUR	2017	44.8	1.2	43.6	
Schuldschein loan	EUR	2017	63.5	1.4	62.1	
Schuldschein loan	EUR	2017	21.9	0.5	21.4	
Schuldschein loan	EUR	2019	70.3	2.2	8.9	59.2
Schuldschein loan	EUR	2019	6.0	0.2	0.6	5.2
TOTAL			**639.2**	**22.0**	**552.8**	**64.4**

CONFIRMED CREDIT FACILITIES

The Group also has unused, confirmed credit facilities that break down as follows by maturity:

At 31 December *(in € millions)*	Confirmed credit facilities 2013 (a)
2014	610
2015	610
2016	50
2017	
2018	

(a) Unused confirmed lines of credit at 31 December 2013, of which:
- *a €50.0 million bilateral credit facility expiring in 2017;*
- *a syndicated credit facility for €560.0 million, expiring in February 2016.*

None of these credit lines include any acceleration clauses.

Note 25.2. NET DEBT

(in € millions)	2013	2012	2011
Long-term borrowings	627.0	653.6	534.1
Short-term borrowings	214.6	298.6	332.1
TOTAL BORROWINGS	**841.6**	**952.2**	**866.2**
Cash and cash equivalents, net	(426.3)	(398.7)	(196.0)
Derivative instruments, net	0.5	2.4	2.6
NET DEBT	**415.8**	**555.9**	**672.8**

Net debt corresponds to total long and short-term borrowings less cash and cash equivalents and derivative instruments used for Group financing purposes that are readily convertible into cash.

At 31 December 2013, none of these borrowings were subject to early repayment clauses based on covenants.

NOTE 26 FAIR VALUE OF FINANCIAL INSTRUMENTS

Note 26.1. FINANCIAL INSTRUMENTS

	2013		Financial instruments by category				
(in € millions)	Carrying amount	Fair value	At fair value through profit (excl. derivatives)	Available-for-sale	Loans and receivables	Held to maturity	Derivative instruments
Assets							
Investments in non-consolidated companies	10.1	10.1		10.1			
Other non-current financial assets	9.5	9.5			9.5		
Other non-current assets	6.0	6.0			6.0		
Trade receivables	740.2	740.2			740.2		
Other current receivables, excl. prepaid expenses	14.8	14.8			14.8		
Derivative instruments	2.8	2.8					2.8
Cash and cash equivalents	426.3	426.3	426.3				
TOTAL FINANCIAL ASSETS	**1,209.7**	**1,209.7**	**426.3**	**10.1**	**770.4**		**2.8**
Liabilities							
Long-term borrowings	627.0	648.0				648.0	
Other non-current liabilities	0.6	0.6				0.6	
Trade payables	524.8	524.8				524.8	
Other current liabilities	21.2	21.2				21.2	
Derivative instruments	13.5	13.5					13.5
Short-term borrowings	214.6	214.6				214.6	
TOTAL FINANCIAL LIABILITIES	**1,401.7**	**1,422.7**				**1,409.2**	**13.5**

	2012		Financial instruments by category				
(in € millions)	Carrying amount	Fair value	At fair value through profit (excl. derivatives)	Available-for-sale	Loans and receivables	Held to maturity	Derivative instruments
Assets							
Investments in non-consolidated companies (excluding Maharaja Whiteline shares)	8.3	8.3		8.3			
Other non-current financial assets	9.1	9.1			9.1		
Other non-current assets	9.0	9.0			9.0		
Trade receivables	835.8	835.8			835.8		
Other current receivables, excl. prepaid expenses	16.2	16.2			16.2		
Derivative instruments	14.9	14.9					14.9
Cash and cash equivalents	398.7	398.7	398.7				
TOTAL FINANCIAL ASSETS	**1,292.0**	**1,292.0**	**398.7**	**8.3**	**870.1**		**14.9**
Liabilities							
Long-term borrowings	653.6	680.7				680.7	
Other non-current liabilities *	1.1	1.1				1.1	
Trade payables	508.0	508.0				508.0	
Other current liabilities *	18.8	18.8				18.8	
Derivative instruments	9.5	9.5					9.5
Short-term borrowings	298.6	298.6				298.6	
TOTAL FINANCIAL LIABILITIES	**1,489.6**	**1,516.7**				**1,507.1**	**9.5**

* *Excluding accrued taxes and employee benefit expense.*

	2011		Financial instruments by category				
(in € millions)	Carrying amount	Fair value	At fair value through profit (excl. derivatives)	Available-for-sale	Loans and receivables	Held to maturity	Derivative instruments
Assets							
Investments in non-consolidated companies	0.4	0.4		0.4			
Other non-current financial assets	9.5	9.5			9.5		
Other non-current assets	7.7	7.7			7.7		
Trade receivables	828.4	828.4			828.4		
Other current receivables, excl. prepaid expenses *	19.8	19.8			19.8		
Derivative instruments	8.1	8.1					8.1
Cash and cash equivalents	196.0	196.0	196.0				
TOTAL FINANCIAL ASSETS	**1,069.9**	**1,069.9**	**196.0**	**0.4**	**865.4**		**8.1**
Liabilities							
Long-term borrowings	534.1	552.5				552.5	
Other non-current liabilities *	2.0	2.0				2.0	
Trade payables	515.6	515.6				515.6	
Other current liabilities *	20.0	20.0				20.0	
Derivative instruments	17.6	17.6					17.6
Short-term borrowings	332.1	332.1				332.1	
TOTAL FINANCIAL LIABILITIES	**1,421.4**	**1,439.8**				**1,422.2**	**17.6**

* *Excluding accrued taxes and employee benefit expense.*

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 26.2. DERIVATIVES

The fair value of derivative instruments is as follows:

	2013				2012			
	Assets		Liabilities		Assets		Liabilities	
(in € millions)	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
FAIR VALUE HEDGES								
Forward sales of foreign currencies *	42.0	1.2	16.2	(0.1)	57.5	2.2	30.7	(0.2)
Forward purchases of foreign currencies *	50.4	0.4	35.7	(1.0)			69.5	(0.7)
TOTAL		**1.6**		**(1.1)**		**2.2**		**(0.9)**
SUPERHEDGES AND TRADING TRANSACTIONS								
Currency swaps								
GBP			21.2	(0.1)			18.0	(0.1)
AUD			7.7				9.7	(0.1)
CAD	8.3		8.2				10.0	
DKK	4.1							
HUF	16.5						17.0	(0.1)
MXN	11.5						20.8	(0.1)
RUB	13.2	0.1						
USD			264.0	(0.2)	10.0		308.1	(1.9)
JPY	23.4	0.1						
THB	11.3	0.2						
Other hedges of debt		0.8		(1.9)		1.4		(2.0)
TOTAL		**1.2**		**(2.2)**		**1.4**		**(4.3)**
CASH FLOW HEDGES								
Forward purchases and sales of foreign currencies			262.3	(5.5)	57.8	11.1	92.4	(2.0)
Floating/fixed rate swaps			78.0	(0.5)				
Aluminium derivatives			31.5	(3.7)	7.3	0.2	26.5	(1.9)
Nickel derivatives			2.0	(0.3)	0.4		2.7	(0.2)
TOTAL				**(10.0)**		**11.3**		**(4.1)**
HEDGES OF THE NET INVESTMENT IN FOREIGN OPERATIONS								
Currency swaps			29.9	(0.2)			28.8	(0.2)
TOTAL				**(0.2)**				**(0.2)**
TOTAL DERIVATIVE INSTRUMENTS		**2.8**		**(13.5)**		**14.9**		**(9.5)**
NET IMPACT ON EQUITY (INCLUDING FAIR VALUE ADJUSTMENTS RECOGNISED IN PROFIT)				**(10.7)**				**5.4**

* *The notional amount of forward purchases and sales of foreign currencies shown in the above table does not include positions taken at 31 December, representing notional amounts of €59.4 million for forward purchases and €28.8 million for forward sales. These derivative instruments have a zero fair value.*

The only derivatives expiring beyond one year are cash flow hedges. At 31 December 2013, these instruments (shown at fair value) expired in the following periods:

At 31 December 2013	In less than 1 year	In 1 to 5 years	In more than 5 years	Total
Forward purchases and sales of foreign currencies	(5.5)			(5.5)
Floating/fixed rate swaps		(0.5)		(0.5)
Aluminium derivatives	(3.7)			(3.7)
Nickel derivatives	(0.3)			(0.3)
TOTAL	**(10.0)**			**(10.0)**

The fair value of derivative instruments is determined by the discounted cash flows method using forward exchange rates (currency hedges), market interest rates (interest rate hedges) and aluminium prices (commodity hedges) at 31 December 2013.

Note 26.3. 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.

	31 December 2013			
(in € millions)	Total	Level 1	Level 2	Level 3
Assets				
Derivative instruments	2.8		2.8	
Cash and cash equivalents	426.3	426.3		
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**429.1**	**426.3**	**2.8**	
Liabilities				
Derivative instruments	13.5		13.5	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**13.5**		**13.5**	

The portfolio of derivatives used by the Group to manage risk mainly includes forward currency contracts, interest rate swaps, 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.

5

NOTE 27 FINANCIAL RISK MANAGEMENT

Note 27.1. RISK MANAGEMENT

Risks are managed centrally by Group Corporate Finance, Treasury and Tax department

Hedging transactions are carried out in the financial markets with a limited number of high-quality partners in order to avoid counterparty risk. Hedging transactions are managed centrally and are only exceptionally carried out by Group subsidiaries where local regulations demand. These transactions remain under the control of the Group Finance, Treasury and Tax department, however.

Note 27.2. FINANCIAL MARKET RISKS

27.2.1. Currency risks

The majority of Group sales are billed in currencies other than the euro, mainly the US dollar, Russian ruble, Brazilian real and Japanese yen. Most billing currencies correspond to the functional currencies of the subsidiaries concerned and do not give rise to any transactional currency risk at the local level.

Similarly, goods purchased for resale (sourced products) billed in US dollars are bought from Asian suppliers by SEB Asia whose functional currency is also the US dollar.

The main sources of transactional currency risks therefore arise from:

- intra-group billings between two Group companies with different functional currencies, as follows:
  - exports by manufacturing subsidiaries in the euro zone billed in the local currency of the marketing subsidiaries,
  - imports of goods from SEB Asia billed in US dollars by marketing subsidiaries whose functional currency is not the US dollar;
- purchases of industrial components from external suppliers by the manufacturing subsidiaries, that are billed in a currency other than their functional currency (for example, components purchases by French subsidiaries that are billed in US dollars).

These risks are managed at Group level by SEB S.A., which acts as the subsidiaries' sole counterparty, except where this is not possible due to local regulations. In the main currencies, resulting balance sheet currency positions are partly hedged by means of forward sales and purchases of foreign currency against the euro. Part of SEB Asia's US dollar billings to subsidiaries is hedged. In 2013, 2012 and 2011, the Group was a net buyer of US dollars.

The Group's overall currency risk management policy sets very strict rules for the hedging of currency risks associated with highly probable future transactions.

ANALYSIS OF CURRENCY RISKS ON INTER-COMPANY TRANSACTIONS

The Group's net exposure to transactional currency risks primarily concerns the following currencies (excluding the functional currencies of Group companies):

At 31 December 2013 *(in € millions)*	USD	CNY	RUB	MXN	JPY	Other
Total assets			14	8	8	48
Total liabilities	(54)	(54)				
Future transactions						
NET POSITION BEFORE HEDGING	**(54)**	**(54)**	**14**	**8**	**8**	**48**
Forward purchases of foreign currencies [(a)]	36	50				
Forward sales of foreign currencies [(a)]			(9)	(8)	(7)	(34)
NET POSITION AFTER HEDGING	**(18)**	**(4)**	**5**	**1**	**0**	**14**

(a) The notional amounts of forward purchases and sales of foreign currencies shown in the above table do not include positions taken on 31 December. See Note 26.2.

At 31 December 2012 *(in € millions)*	USD	RUB	MXN	JPY	Other
Total assets		18	17	12	48
Total liabilities	(66)				
Future transactions					
NET POSITION BEFORE HEDGING	**(66)**	**18**	**17**	**12**	**48**
Forward purchases of foreign currencies [(a)]	69				
Forward sales of foreign currencies [(a)]		(14)	(16)	(5)	(45)
NET POSITION AFTER HEDGING	**3**	**4**	**1**	**7**	**3**

(a) The notional amounts of forward purchases and sales of foreign currencies shown in the above table do not include positions taken on 31 December. See Note 26.2.

At 31 December 2011 *(in € millions)*	USD	HUF	RUB	JPY	Other
Total assets		13	15	6	57
Total liabilities	(62)				
Future transactions					
NET POSITION BEFORE HEDGING	**(62)**	**13**	**15**	**6**	**57**
Forward purchases of foreign currencies	73				
Forward sales of foreign currencies		(19)	(15)	(6)	(36)
NET POSITION AFTER HEDGING	**11**	**(6)**	**0**	**0**	**21**

At 31 December 2013, the euro was trading at USD 1.379, RUB 45.325, MXN 18.073, RMB 8.3491 and JPY 144.72.

An appreciation of these currencies, assuming all other variables remained constant, would have a negative impact on profit. However, because the Group hedges dollar exposure in its budget, appreciation of the dollar would generate a gain.

At 31 December 2013, the sensitivity analysis of the net position after hedging was as follows:

in € millions	USD	CNY	RUB	MXN	JPY	Other
Hypothetical currency appreciation	10%	10%	10%	10%	10%	10%
IMPACT ON PROFIT	**(1.8)**	**(0.4)**	**0.5**	**0.1**	**0.0**	**1.4**

CURRENCY RISKS ON FINANCING

SEB S.A. is the main provider of financing for its subsidiaries. Current account advances are made in the subsidiaries' functional currency. As SEB S.A. raises long-term financing in euros, it is exposed to currency risks on these advances. This exposure is hedged by borrowing or lending in the subsidiary's functional currency using currency swaps, so as to offset the current account positions. Currency risks on financing are therefore systematically hedged.

The Group does not however apply hedge accounting to these transactions.

At 31 December 2013 *(in € millions)*	USD	Other
Total assets	336	111
Total liabilities	(94)	(15)
NET POSITION BEFORE HEDGING	**242**	**96**
Hedging positions	(264)	(125)
NET POSITION AFTER HEDGING	**(22)**	**(29)**

At 31 December 2012 *(in € millions)*	USD	Other
Total assets	329	101
Total liabilities	18	15
NET POSITION BEFORE HEDGING	**311**	**86**
Hedging positions	(318)	(76)
NET POSITION AFTER HEDGING	**(7)**	**10**

At 31 December 2011 *(in € millions)*	USD	Other
Total assets	372	89
Total liabilities	103	16
NET POSITION BEFORE HEDGING	**269**	**73**
Hedging positions	(218)	(31)
NET POSITION AFTER HEDGING	**51**	**42**

The appreciation or depreciation of these currencies, assuming all other variables remained the same, would have an impact on profit.

At 31 December 2013, the sensitivity analysis of the net position after hedging was as follows:

(in € millions)	USD	Other
Hypothetical currency appreciation	10%	10%
IMPACT ON PROFIT	**(2.2)**	**(2.9)**

CURRENCY RISKS ON NET INVESTMENTS IN FOREIGN OPERATIONS

Groupe SEB is also exposed to currency risks on its net investment in foreign operations, corresponding to the impact of changes in exchange rates for the subsidiaries' functional currencies on SEB S.A.'s share in their net assets. Group policy do not require to hedge of these risks.

However, the Group decided to hedge its exposure on a long-term intra-group loan to its Colombian subsidiary denominated in dollars, which is treated as part of its net investment in this subsidiary. The outstanding balance on the loan at 31 December 2013 was USD 42.4 million. It is hedged by a currency swap whose fair value at 31 December 2013 was a negative €0.2 million, recorded in equity.

27.2.2. Interest rate risks

Group policy consists of hedging interest rate risks based on trends in market interest rates and changes in the Group's overall debt structure.

The following table analyses financial assets and liabilities at 31 December 2013, based on interest rate re-set dates:

	Overnight to 1 year		1 to 5 years		More than 5 years	
At 31 December 2013 *(in € millions)*	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate
Total assets	426.3					
Total liabilities	(205.5)	(9.1)	(149.5)	(415.3)	(5.1)	(57.1)
NET POSITION BEFORE HEDGING	**220.8**	**(9.1)**	**(149.5)**	**(415.3)**	**(5.1)**	**(57.1)**

A floating/fixed interest rate swap was arranged to hedge interest payable between August 2013 and August 2017. This swap is classed as a cash flow hedge under IAS 39.

AT 31 DECEMBER 2013

(in € millions)	Due within one year	1 to 5 years	More than 5 years
Floating/fixed rate swaps		78	

Assuming total borrowings remain constant at 31 December 2013 levels throughout the year and with the same currency breakdown, an immediate 1% rise in interest rates would add an estimated €2,8 million to financial expenses and would have no material impact on net debt.

The change in the impact on equity of the interest rate swap at 31 December 2013 is as follows:

(in € millions)	31/12/2013
FAIR VALUE AT 31 DECEMBER	
Change in fair value	(0.5)
Amount recognised in income statement	
FAIR VALUE AT 31 DECEMBER	**(0.5)**

27.2.3. Commodity risks

Commodity risks arising from changes in the prices of certain raw materials used by the Group – mainly aluminium, copper and nickel used to produce stainless steel – are hedged by derivative instruments. The Group anticipates its needs for the coming year (except for China) and hedges them on a conservative basis, covering 70% of its estimated purchases for the next twelve months.

At 31 December 2013, 21,126 tonnes of aluminium purchases and 171 tonnes of nickel purchases were hedged.

Prices are set in advance using zero-premium collars and/or swaps. These hedges of raw material purchases are qualified as cash flow hedges under IAS 39 when the criteria listed in Note 1.4.4 are met.

At 31 December 2013, commodity derivatives showed an unrealised loss of €4.0 million, recorded in equity, compared to unrealised losses of €1.9 million in 2012 and €5.6 million in 2011.

Derivatives that expired in 2013 led to a loss of €6.1 million, compared with losses of €6.2 million in 2012 and €4.5 million in 2011.

SENSITIVITY ANALYSIS

A 10% increase in metal prices at 31 December 2013 would have had a €3.0 million positive impact on equity, while a 10% decrease would have had a €3.0 million negative impact, assuming all other variables remained constant.

A 10% increase or decrease in metal prices versus their average prices in 2013 would have had a €10.2 million positive or negative impact on operating result from activity (formerly "operating margin").

27.2.4. Equity risk and treasury stock

It is not Group policy to hold significant portfolios of equities or equity funds.

The Group does, however, hold a portfolio of SEB shares, purchased in connection with:

- a liquidity contract set up in order to ensure that there is a sufficiently liquid market for SEB shares and to stabilise the share price; and
- the share buyback programme, mainly for allocation on exercise of employee stock options.

Treasury stock is deducted directly from equity. Gains and losses from sales of treasury stock are also recognised in equity.

Based on the closing share price on 31 December 2013 (€65.70), the fair value of shares held in treasury at that date stood at €92.8 million. A 10% increase or decrease in the share price would therefore have led to a €9.3 million change in the fair value of treasury stock.

ZJ Supor, which is now 71.38%-owned by Groupe SEB, is listed on the Shenzen stock exchange. At 31 December 2013, ZJ Supor's share price was RMB 14.56, valuing Groupe SEB's investment at €789.7 million. Changes in the Supor share price have no impact on Groupe SEB's Consolidated Financial Statements, as ZJ Supor is fully consolidated. Similarly, changes in the share price have no impact on the company accounts of SEB Internationale because its interest in ZJ Supor is classified as a long-term investment and is not marked to market.

Note 27.3. LIQUIDITY RISK

To manage the liquidity risk that may arise due to financial liabilities reaching maturity or needing to be settled early, the Group implements a financing strategy based on:

- maintaining cash and cash equivalents at a certain level at all times (€426.3 million at 31 December 2013);

and additional liquid resources including:

- a €600.0 million commercial paper programme, of which €76.0 million had been drawn at 31 December 2013;
- other debt facilities, including:
  - a €560.0 million syndicated credit facility expiring in 2016,
  - a €50.0 million bilateral credit facility expiring in 2017,
  - several Schuldschein loan credit lines totalling €267.5 million and maturing in 2015, 2016, 2017 and 2019,
  - a €298.5 million bond debt due in 2016.

Cash and cash equivalents and debt are described in Note 19 and Note 25, respectively.

Note 27.4. CREDIT RISK

At 31 December 2013, trade receivables broke down as follows based on their age:

		Past due			
(in € millions)	Current	0-90 days	91-180 days	Over 181 days	Total
Net trade receivables	627.8	105.4	2.6	4.4	740.2

To avoid default risks, Groupe SEB sets individual credit limits that are regularly updated based on the customer's financial position and payment history.

The Group's main customers are well-known international retailers, and in 2013, no single customer accounted for more than 5,5% of total revenue.

For more than five years, the customer credit risk has been covered by credit insurance taken out with COFACE. At 31 December 2013, 90% of net trade receivables were covered by insurance that would apply in the event of non-recovery.

NOTE 28 ENVIRONMENTAL EXPENDITURE

Environmental expenditure amounted to €7.4 million in 2013, compared with €7.7 million in 2012 and €6.2 million in 2011, respectively.

These amounts include routine environmental management system costs, covering areas such as water and waste management. They do not include taxes on packaging or the cost of disposing of waste electrical and electronic equipment.

The main costs are presented below, including the breakdown between amounts recognised as expenses and as capital expenditure.

	2013			2012			2011		
(in € millions)	Expenses	Capital expenditure	Total	Expenses	Capital expenditure	Total	Expenses	Capital expenditure	Total
Ambient air quality	0.6	0.1	0.7	0.6	1.2	1.8	0.5	1.0	1.5
Waste water management and water saving systems	1.7	0.5	2.2	1.7	0.5	2.2	1.3	0.1	1.4
Waste management	2.5	0.1	2.6	1.6		1.6	1.6		1.6
Soil protection and decontamination	0.3	0.5	0.8	0.3	0.4	0.7	0.1	0.4	0.5
Other environmental protection measures	1.0	0.1	1.1	1.0	0.4	1.4	0.9	0.3	1.2
TOTAL	**6.1**	**1.3**	**7.4**	**5.2**	**2.5**	**7.7**	**4.4**	**1.8**	**6.2**

A provision for environmental risks was recognised in 2011 at the time of the Imusa acquisition for a risk existing prior to the acquisition date. At 31 December 2013, the provision amounted to €1.0 million.

NOTE 29 OFF-BALANCE SHEET COMMITMENTS

Note 29.1. SPECIFIC COMMITMENTS

Specific commitments are discussed in the following notes:

- Note 23 – Employee benefits;
- Note 25 – Borrowings;
- Note 26 – Fair value of financial instruments.

Note 29.2. COMMITMENTS ARISING IN THE ORDINARY COURSE OF BUSINESS

COMMITMENTS RELATED TO OPERATING ACTIVITIES

(in € millions)	2013	2012	2011
Firm orders for property, plant and equipment	19.3	22.8	16.2
Guarantees and bonds given	10.6	20.7	11.2
Commitments under non-cancellable operating leases	125.3	149.1	127.2
Miscellaneous financial commitments	19.9	14.3	5.3
TOTAL COMMITMENTS GIVEN	**175.1**	**206.8**	**159.9**
Guarantees received tor trade receivables under credit insurance policies	602.0	686.6	659.5
Miscellaneous financial commitments	6.0	0.1	0.1
TOTAL COMMITMENTS RECEIVED	**608.0**	**686.7**	**659.6**

Miscellaneous financial commitments given include €5.1 million to buy out the shares of Key Ingredient's non-controlling shareholder under a formal settlement agreement signed on 21 December 2013 (see Note 32, Post-balance sheet events). The conditions precedent in this agreement were only fulfilled in early 2014.

They also include €7 million related to the acquisition of the Parc Mail site in Écully (see Note 32, Post-balance sheet events): a €1 million deposit and €6 million of potential payments under a penalty clause in the pre-sale agreement signed in November 2013. This clause states that if either party fails to register the deed of sale with the court, said party must pay the other party the sum of €6 million. The €6 million penalty therefore also appears under miscellaneous financial commitments received.

NOTE 30 SIGNIFICANT EVENTS, LITIGATION AND CONTINGENT LIABILITIES

Note 30.1. SIGNIFICANT EVENTS AND LITIGATION

30.1.1. Significant events

No significant events occurred in 2013 that materially affected the Group's financial position.

30.1.2. Claims and litigation

SUPPLIER DISPUTES

A provision for contingencies was set aside in 2009 following a dispute with a Chinese supplier concerning a shipment. The current estimated maximum expense of around €4.7 million is fully provisioned (see Note 22.2) although, at the time of writing, the Group is disputing the entire amount and the ongoing lawsuit is expected to be lengthy.

MAHARAJA WHITELINE

At a meeting of the Board of Directors of Maharaja Whiteline Industries Private Limited on 21 November 2012, the directors representing Groupe SEB, which has the majority of seats on the Board, noted numerous instances of mismanagement and management failings on the part of the company's Chief Executive, Harish Kumar, leading to a steep deterioration in business and financial performance compared with the mutually agreed business plan.

They therefore decided to require Mr Kumar to step down in order to appoint a new management team with immediate effect.

A month later, Harish Kumar sought an interim injunction from the Delhi High Court disputing the terms and grounds of his dismissal. This resulted in an interim ruling on 20 December 2012 freezing the decision to dismiss him pending a full hearing on the validity of the decision made by the Board of Directors' on 21 November 2012.

The proceedings continued from January to the end of April 2013 and ended with a High Court ruling on 19 July 2013 dismissing all Harish Kumar's complaints and claims, thereby upholding the decision to dismiss him on 21 November 2012. Groupe SEB was then able to reinstate its management team in the company as from July. No appeal was filed and it therefore became definitive on 2 September 2013.

Subsequently, Groupe SEB decided to launch an arbitration procedure against the Indian shareholders seeking redress for damages suffered by SEB in respect of (i) breach of the asset and liability guarantees in the purchase agreement for 55% of the company, (ii) breach of obligations under the shareholders agreement made at the time of the acquisition at the end of 2011 and (iii) mismanagement by Harish Kumar during the time when he headed the company.

The arbitration procedure began on 13 December 2013 before the Singapore International Arbitration Centre (SIAC) as provided for in the aforementioned agreements. The appointment of the court of arbitration is now nearly complete and an initial procedural hearing to set the overall schedule for the proceedings is expected in April 2014.

In the past twelve months, other than the proceedings reflected in the financial statements and described in the accompanying notes, there have been no other government, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) which may have or have had in the recent past significant effects on the Group and/or its financial position or profitability.

Note 30.2. CONTINGENT LIABILITIES

Statutory employee training rights

Employees of Groupe SEB in France with permanent contracts are entitled to 20 hours' training per year, which may be carried forward for up to six years. If all or part of this entitlement is not used within six years, it is capped at 120 hours. The costs of supplying training as a result of this entitlement and of the training allowances paid to employees who follow courses outside working hours are covered by the employer. As the decision to incur these costs is made by Group management and they relate to employee services to be received in future periods, they are expensed as incurred. At 31 December 2013, the total amount of unused training hours accumulated by Groupe SEB employees stood at 583,838 hours versus 584,700 at 31 December 2012 and 586,980 hours at 31 December 2011.

No other contingent liabilities have been identified to date.

NOTE 31 RELATED PARTY TRANSACTIONS

Note 31.1. TRANSACTIONS WITH ASSOCIATES AND NON-CONSOLIDATED COMPANIES

The Consolidated Financial Statements include transactions carried out in the normal course of business with associates and non-consolidated companies.

All of these transactions are carried out on arm's length terms.

(in € millions)	2013	2012	2011
Revenue	1.1	0.4	4.4
Other income			
Purchases			
Other non-current financial assets	1.1	0.4	0.4
Trade receivables	1.1	0.1	2.6
Trade payables			

Coranco, which was acquired in late December 2013 but not consolidated, pays Lagostina, a consolidated Group subsidiary, royalties for the right to sell Lagostina branded products in Canada. These royalties totalled €1.1 million in respect of 2013.

Note 31.2. DIRECTORS' AND OFFICER'S REMUNERATION AND BENEFITS

Details of the members of the Board of Directors and the Executive Committee, including current members and those who retired in 2013, are provided in the Corporate Governance section of this document. The following table provides an analysis of the remuneration and benefits paid to the members of the Board of Directors and the Executive Committee in 2013, 2012 and 2011:

(in € millions)	2013	2012	2011
SHORT-TERM BENEFITS			
Fixed remunerations	3.0	2.7	2.7
Variable remunerations	1.9	2.2	1.8
Directors' fees	0.3	0.5	0.4
OTHER BENEFITS			
Post-employment benefits	2.6	1.9	2.2
Share-based payments (stock options)	2.2	1.4	1.6
CARRYING AMOUNT	**10.0**	**8.7**	**8.7**

Thierry de La Tour d'Artaise will not be entitled to any compensation for loss of office when he ceases to be a corporate officer.

His employment contract, signed when he joined the Group in 1994 and last amended when he was appointed Chief Executive Officer, was suspended on 1 March 2005 for the duration of his term as corporate officer.

In the same way as for other Executive Committee members, the contract stipulates that in the event of termination of his employment contract at Groupe SEB's initiative, except as a result of gross negligence or serious misconduct, or at his own initiative following a change of control of Groupe SEB, Thierry de La Tour d'Artaise will be eligible for a total termination benefit equal to two years' remuneration. Following adoption of France's TEPA Act, an addendum to this contract was signed making the termination benefit subject to performance conditions. The revised contract stipulates that the termination benefit, set at a maximum of two years' gross salary and bonus, will be adjusted based on actual performance in relation to targets over Thierry de La Tour d'Artaise's last four years of service, as follows:

- if average actual performance falls short of the targets by 50% or more, no termination benefit will be paid;
- if average actual performance represents 50% to 100% of the targets, between 75% and 100% of the termination benefit will be paid;
- if average actual performance exceeds the targets, the termination benefit will be paid in full.

The Board of Directors may, at its discretion, reduce the termination benefit by as much as 50% if the Group reports a loss for the year preceding the one in which Thierry de La Tour d'Artaise is removed from office, provided that the termination benefit does not represent less than his salary and bonus for his final year of service if average actual performance is at least equal to 50% of targets.

Thierry de La Tour d'Artaise's employment contract does not contain any no-compete clause.

In accordance with the October 2008 AFEP-MEDEF Code, at its meeting on 17 February 2012 the Board of Directors considered that Thierry de la Tour d'Artaise's employment contract should remain suspended, in light of his age, personal situation and seniority with the Group.

NOTE 32 SUBSEQUENT EVENTS

Maharaja Whiteline

The international arbitration proceedings launched by Groupe SEB in the Singapore court continue.

No ruling is expected in the short term (see Note 30.1.2. Claims and litigation).

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.

Purchase of the Parc Mail site in Écully

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 will be paid out in 2014.

To the best of Groupe SEB's knowledge, no other events have occurred between 31 December 2013 and the date on which this Registration Document was published that could have a material impact on the Consolidated Financial Statements.

NOTE 33 LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2013 (SHOWING THE % INTEREST HELD BY THE GROUP)

Note 33.1. FULLY CONSOLIDATED COMPANIES

Company	Core business (b)	Headquarters	Registration no.	% voting rights	% interest
FRANCE					
SEB S.A. (a)	Parent company	France	300,349,636		
Calor S.A.S. (a)	*	France	956,512,495	100	100
S.A.S. SEB (a)	*	France	302,412,226	100	100
Tefal S.A.S. (a)	*	France	301,520,920	100	100
Rowenta France S.A.S. (a)	*	France	301,859,880	100	100
Groupe SEB Moulinex S.A.S. (a)	*	France	407,982,214	100	100
SIS S.A.S. (a)	***	France	399,014,216	100	100
SEB Développement S.A.S. (a)	***	France	016,950,842	100	100
Groupe SEB France S.A.S. (a)	**	France	440,410,637	100	100
Groupe SEB Retailing (a)	**	France	440,410,884	100	100
SEB Internationale S.A.S. (a)	Holding company	France	301,189,718	100	100
Groupe SEB Export (a)	**	France	421,266,271	100	100
SEB Alliance S.A.S.	Holding company	France	440,410,918	100	100
Immobilière Groupe SEB	***	France	799,230,388	100	100
OTHER EU COUNTRIES					
Rowenta Werke GmbH	*	Germany		100	100
Krups GmbH	**	Germany		100	100
Groupe SEB Deutschland GmbH	**	Germany		100	100
Rowenta Deutschland GmbH	Holding company	Germany		100	100
SEB Osterreich HmbH	**	Austria		100	100
Groupe SEB Belgium S.A. NV	**	Belgium		100	100
Groupe SEB Nordik AS	**	Denmark		100	100

(a) A member of the French tax group.
(b) Core business:
** Manufacturing, sales and marketing;*
*** Sales and marketing;*
**** Services.*

Company	Core business (b)	Headquarters	Registration no.	% voting rights	% interest
Groupe SEB Iberica S.A.	**	Spain		100	99.8
Groupe SEB UK Ltd.	**	United Kingdom		100	100
Tefal UK	Dormant	United Kingdom		100	100
Groupe SEB Hellados S.A.	**	Greece		100	100
Groupe SEB Italia SpA	**	Italy		100	100
Lagostina SpA	*	Italy		100	100
Casa Lagostina s.r.l	**	Italy		100	100
Groupe SEB Nederland BV	**	Netherlands		100	100
Rowenta Invest BV	Holding company	Netherlands		100	100
Groupe SEB Portugal Ltd.	**	Portugal		100	99.9
AMERICAS					
Groupe SEB Canada Inc.	**	Canada		100	100
Groupe SEB USA	**	United States		100	100
All-Clad USA, Inc. Delaware	Holding company	United States		100	100
All-Clad Metal-Crafters LLC	*	United States		100	100
Clad Holdings Corp. Delaware	***	United States		100	100
Groupe SEB Holdings USA	Holding company	United States		100	100
Imusa Holding Inc.	Holding company	United States		100	99.3
Imusa USA LLC	**	United States		100	99.3
Groupe SEB Argentina S.A.	**	Argentina		100	100
Grupo SEB do Brasil	*	Brazil		100	100
Groupe SEB Comercial do Brasil	**	Brazil		100	100
Lojas SEB	**	Brazil		100	100
Groupe SEB Chile Ltda.	**	Chile		100	100
Groupe SEB Colombia S.A.	*	Colombia		100	100
Groupe SEB Mexico	**	Mexico		100	100
Groupe SEB Servicios Mexico	***	Mexico		100	100
Groupe SEB Venezuela S.A.	**	Venezuela		100	100
Groupe SEB Peru S.R.L.	**	Peru		100	100
OTHER COUNTRIES					
Groupe SEB Schweiz GmbH		**	Switzerland	100	100
Groupe SEB Australia Ltd.		**	Australia	100	100
SSEAC Co. Ltd.		*	China	100	100
Groupe SEB Korea		**	South Korea	100	100
SEB Asia Ltd.		**/***	Hong Kong	100	100
Groupe SEB Thailand		**	Thailand	100	100
Groupe SEB Singapore Pty Ltd.		**	Singapore	100	100
Groupe SEB Malaysia SDN. BHD		**	Malaysia	100	100
Groupe SEB Central Europe		**	Hungary	100	100
Groupe SEB Egypt holding		Holding company	Egypt	100	100
Groupe SEB Egypt import		**	Egypt	93.75	100
Groupe SEB Egypt JV		**	Egypt	75	75
Groupe SEB Japan Co. Ltd.		**	Japan	100	100
Groupe SEB Polska Zoo		**	Poland	100	100

(a) A member of the French tax group.
(b) Core business:
** Manufacturing, sales and marketing;*
*** Sales and marketing;*
**** Services.*

Company		Core business [b]	Headquarters	Registration no.	% voting rights	% interest
Groupe SEB CR s.r.o/Groupe SEB Slovensko s.r.o		**	Czech Republic/ Slovakia		100	100
Groupe SEB Romania		**	Romania		100	100
Groupe SEB Baltic		**	Latvia		100	100
Grain Harvest Development Ltd.		Holding company	Hong Kong		100	100
Groupe SEB d.o.o.		**	Slovenia		100	100
Groupe SEB Bulgaria EOOD		**	Bulgaria		100	100
Groupe SEB Istanbul A.S.		**	Turkey		100	100
Groupe SEB Ukraine		**	Ukraine		100	100
Groupe SEB Vostok		*	Russia		100	100
Vina Electric Fan	Manufacturing and trading	*	Vietnam		65.13	65.13
Vina Electric Fan	Joint stock company	*	Vietnam		100	65.13
ZJ Supor	Zehjiang Supor Co., Ltd.	Holding company	China		71.31	71.31
DG Supor	Dongguan Supor Electrical Appliances	*	China		100	79.92
SX Supor	Shaoxing Supor Life Electrical Appliances Co., Ltd.	*	China		100	71.31
Vietnam Supor	Supor (Vietnam) Co., Ltd.	*	Vietnam		100	71.31
WH CKW	Wuhan Supor Cookware Co., Ltd.	*	China		100	78.15
WH Pressure	Wuhan Supor Pressure Cooker Co., Ltd.	Holding company	China		99.36	70.86
WH Supor	Wuhan Supor Co., Ltd.	***	China		96.53	68.85
WH Waste	Wuhan Supor Waste Recovery Co., Ltd.	***	China		100	71.31
YH Waste	Yuhuan Supor Waste Recovery Co., Ltd.	***	China		60	42.79
ZJ Rubber	Zhejiang Supor Rubber & Plastics Products Co., Ltd.	*	China		93.23	66.49
ZJ Lesu	Zhejiang Lesu Metal Material Co. Ltd.	*	China		100	71.31
ZJ Supor EA	Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd.	*	China		100	78.49
Hangzhou Omegna trad.		**	China		100	71.31
Shanghai Cookware Supor Sales Co.		**	China		100	71.31

(a) A member of the French tax group.
(b) Core business:
* *Manufacturing, sales and marketing;*
** *Sales and marketing;*
*** *Services.*

5

Note 33.2. ASSOCIATES

Company	Core business	Headquarters	Registration no.	% interest
None				

Note 33.3. NON-CONSOLIDATED COMPANIES WHERE GROUPE SEB HAS A % INTEREST OF AT LEAST 20%

Company	Core business [(a)]	Headquarters	Registration no.	% interest
Tefal India	Dormant	India		100
Groupe SEB Pars (not material in relation to the Group as a whole)	**	Iran		72
Key Ingredients (not material in relation to the Group as a whole)	**	United States		66
Maharaja Whiteline (acquired at the end of December 2011)	*	India		55
ANZAI (not material in relation to the Group as a whole)	*	China		30
Groupe SEB South Africa (new company)	**	South Africa		100
Groupe SEB Croatia (new company)	**	Croatia		100
Coranco (acquired at the end of December 2013)	**	Canada		100

(a) Core business:
** manufacturing, sales and marketing;*
*** sales and marketing;*
**** services.*

5.5. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you for the year ended 31 December 2013 on:

- the audit of the accompanying Consolidated Financial Statements of SEB S.A.;
- the justification of our assessments;
- the specific verification required by law.

These Consolidated Financial Statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

5

Opinion on the Consolidated Financial Statements

We conducted our audit in accordance with professional standards applicable in France; these standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free of material misstatement. An audit includes examining, on a test basis or by selection, evidence supporting the amounts and disclosures in the Consolidated Financial Statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2013 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de Commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

- At each balance sheet date, the Group assesses whether there is any indication that non-current assets belonging to various cash-generating units (CGUs) may be impaired and performs annual impairment tests on goodwill and assets with indefinite lives, as described in Notes 1.4.1 and 1.4.3 to the Consolidated Financial Statements. We have examined the impairment testing methods as well as the cash flow forecasts and assumptions used and we have verified that Notes 7.2 and 11 contain the appropriate disclosures.
- Note 1.4.9 to the Consolidated Financial Statements describes how deferred tax has been determined and Note 9.4 discloses the amount of deductible temporary differences and tax losses carried forward without any corresponding deferred tax assets. Our work has consisted in the assessment of the data and assumption retained by the Group for their estimations and in the verification of the pertinence of disclosures made in the notes to the Consolidated Financial Statements.

These assessments were made as part of our audit of the Consolidated Financial Statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the Consolidated Financial Statements.

Lyon and Villeurbanne, 10 March 2014

The Statutory auditors

PricewaterhouseCoopers Audit

Nicolas BRUNETAUD

Deloitte & Associés

Gérard BADIN

COMPANY FINANCIAL STATEMENTS

6

6.1. FINANCIAL STATEMENTS

Balance Sheet of SEB S.A. – At 31 December

Assets *(in € millions)*	2013 Gross	2013 Depreciation/amortisation	2013 Net	2012 Net
NON-CURRENT ASSETS				
Patents, licenses and other rights	7.7	7.5	0.2	0.1
Shares in subsidiaries and affiliates	928.0	88.4	839.6	739.6
Loans to subsidiaries and affiliates	1,153.2		1,153.2	1,142.1
Other long-term investments	2.1		2.1	1.4
TOTAL	**2,091.0**	**95.9**	**1,995.1**	**1,883.1**
CURRENT ASSETS				
Trade receivables	0.3		0.3	0.4
Other receivables	16.9		16.9	16.3
Marketable securities	72.7		72.7	234.3
Cash and cash equivalents	168.8		168.8	20.8
Prepaid expenses	0.3		0.3	0.2
TOTAL	**259.0**	**-**	**259.0**	**272.0**
Deferred debt issuance costs	2.5		2.5	3.7
Bond redemption premium	0.2		0.2	0.4
Conversion losses	75.9		75.9	72.6
TOTAL ASSETS	**2,428.6**	**95.9**	**2,332.7**	**2,231.8**

Equity and liabilities (before appropriation of profit) *(in € millions)*	**2013**	2012
EQUITY		
Share capital	50.2	50.2
Additional paid-in capital	99.3	99.3
Revaluation reserve	16.9	16.9
Legal reserve	5.2	5.2
Regulated reserves	0.8	0.8
Revenue reserves	7.9	7.9
Retained earnings	601.3	606.2
Net profit for the year	153.1	61.3
TOTAL	**934.7**	**847.7**
PROVISIONS FOR CONTINGENCIES AND CHARGES		
Provisions for contingencies	99.7	86.8
Provisions for charges	181.3	158.1
TOTAL	**281.0**	**244.9**
PAYABLES		
Bank borrowings	615.3	724.9
Other borrowings	474.2	369.2
Trade payables	0.3	1.1
Accrued taxes and payroll costs	1.7	2.0
Other payables	20.5	15.3
TOTAL	**1,112.0**	**1,112.5**
Conversion gains	5.0	26.7
TOTAL EQUITY AND LIABILITIES	**2,332.7**	**2,231.8**

Income Statement – Years ended 31 December

(In € millions)	2013	2012
OPERATING INCOME		
Service revenues		
Reversals of depreciation, amortisation and provisions, expense transfers	0.1	0.6
Other income	0.3	0.6
TOTAL	**0.4**	**1.2**
Operating expenses		
Other purchases and external charges	5.5	12.0
Taxes other than on income	1.9	0.7
Wages and salaries	1.8	1.7
Payroll taxes	0.8	1.2
Depreciation and amortisation expense	2.0	1.2
Other expenses	0.9	0.9
TOTAL	**12.9**	**17.7**
OPERATING PROFIT	**(12.5)**	**(16.5)**
Financial revenues		
Income from investments in subsidiaries and affiliates	183.3	108.5
Interest income	3.5	0.6
Reversals of provisions, expense transfers	73.8	73.3
Foreign exchange gains	23.6	61.8
Net income from sales of marketable securities	0.2	0.2
TOTAL	**284.4**	**244.4**
Financial expenses		
Charges to provisions for impairment of financial assets	15.3	22.5
Interest and financial expenses	33.7	31.7
Charges to provisions for currency risks	75.8	72.6
Foreign exchange losses	0	50.9
TOTAL	**124.8**	**177.8**
FINANCIAL INCOME AND EXPENSE	**159.6**	**66.6**
PROFIT FROM ORDINARY ACTIVITIES	**147.1**	**50.1**
Non-recurring income		
Non-recurring income from revenue transactions		
Non-recurring income from capital transactions	5.5	1.2
Reversals of provisions, expense transfers	1.4	5.5
TOTAL	**6.9**	**6.7**
Non-recurring expenses		
Non-recurring expenses on revenue transactions	0.1	0.3
Non-recurring expenses on capital transactions	0.8	8.1
Charges to provisions	24.6	19.3
TOTAL	**25.5**	**27.7**
NET NON-RECURRING EXPENSE	**(18.6)**	**(21.0)**
Income tax (income)	(24.6)	(32.2)
PROFIT FOR THE PERIOD	**153.1**	**61.3**

6.2. NOTES TO THE SEB S.A. FINANCIAL STATEMENTS

SIGNIFICANT EVENTS OF THE YEAR

THE FONDS STRATÉGIQUE DE PARTICIPATIONS ACQUIRES A PORTION OF SEB S.A.'S SHARE CAPITAL

In June, the Fonds Stratégique de Participations [Strategic Investment Fund] ("FSP") acquired 5.25% of SEB S.A.'s share capital. This transaction was among the first investments made by FSP, which is building its portfolio. The transaction was friendly and was fully coordinated with the Group's Board of Directors and Senior Management. It is planned to be a long-term investment, with the FSP affirming its support for the Group's economic model and its desire to work effectively with the Group as it grows.

IMPLEMENTATION OF A NEW LIQUIDITY CONTRACT

The liquidity contract between SEB S.A. and the brokerage firm GILBERT DUPONT SNC was terminated effective as of 30 August 2013. By agreement dated 15 July 2013, SEB S.A. entered into a liquidity contract with NATIXIS to enter into effect on 2 September 2013 for a term of one year, renewable tacitly. The contract concerns the company's ordinary shares, in accordance with the AMAFI Ethics Charter approved by the AMF in its decision dated 8 March 2011.

In order to implement the contract, €3 million was deposited into the liquidity account and will be allocated in shares and cash.

PARTIAL REPAYMENT OF THE FIRST SCHULDSHEIN PLACEMENT

On 6 August 2013, the company repaid the first tranche of its first Schuldshein placement, for an amount of €114 million. This private placement under German law had been carried out in 2007. The second and third tranches are to be repaid in August 2015.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1.1. PRINCIPLES

The company financial statements have been prepared in line with the principle of prudence and in compliance with the preparation and presentation rules set out in French law and France's Plan Comptable Général.

Note 1.2. INTANGIBLE ASSETS

Intangible assets are stated at acquisition cost, excluding transaction costs and financing costs. They mainly consist of patents depreciated over periods ranging from three to ten years.

Note 1.3. SHARES IN SUBSIDIARIES AND AFFILIATES

Cost corresponds to acquisition cost, except for shares acquired before 31 December 1976 and included in the legal revaluation, which are stated at valuation. Shares in subsidiaries and affiliates are stated at the lower of cost and net realisable value. Net realisable value is determined based on the company's equity in the investee's net assets, market value or the investee's earnings outlook.

Note 1.4. OWN SHARES

SEB S.A. shares held by the company are classified as follows:

- shares bought back for allocation under existing or future stock option or performance share plans are classified under "Marketable securities";
- all other SEB S.A. shares held by the company – mainly under the liquidity contract – are classified under "Other non-current assets".

At the year-end, an impairment loss is recognised whenever the shares' purchase price is lower than the average share price for the last month of the year.

Note 1.5. CASH AND CASH EQUIVALENTS AND FINANCIAL INSTRUMENTS

SEB S.A. manages cash and cash equivalents and currency risk on behalf of the Group.

- It meets the short-term financing needs of virtually all of its subsidiaries. In particular, an automatic daily bank balance reporting system has been set up to monitor the financing needs of the French, German, Belgian, Dutch, Spanish, Italian, Hungarian, Czech, Austrian, Swiss, U.S. and Hong Kong subsidiaries. The other subsidiaries report their cash balances manually. Current account advances to and from the cash pool pay interest at the overnight rate for the currency concerned plus or minus an intermediation margin. For certain subsidiaries, SEB S.A. issues medium-term financing at the three-month rate for the currency concerned, plus an intermediation margin.

6

Commercial paper is issued in euros under a €600 million programme rated A2 by Standard & Poor's and is converted into the local currency of the subsidiaries concerned outside the euro zone by means of currency swaps, thereby limiting the company's exposure to currency risks on these financing transactions. SEB S.A. thus limits its exposure to currency risks on its financing transactions. A provision may be set aside to cover the unhedged portion of the risk.

- It guarantees the exchange rates for intercompany import and export transactions on behalf of its subsidiaries. It puts budgetary and transactional hedges in place to cover exposure to currency risks. The hedged transactions are then recorded for the price guaranteed by the operating subsidiaries and in their currency for market subsidiaries. The unrealised gain or loss covered by hedging transactions, i.e. the difference between the guaranteed rate and the closing rate, is recognised in the financial statements of SEB S.A. at the period-end. Any unrealised losses arising on such transactions are recognised on the assets side of the balance sheet under "Conversion losses" and lead to the recognition of a provision for contingencies. Unrealised gains are recognised in liabilities under "Conversion gains" without affecting profit for the year.

  The contango or backwardation is recorded in the income statement when the swap expires.

Note 1.6. CONVERSION AND MEASUREMENT OF CASH AND SHORT-TERM BANK LOANS IN FOREIGN CURRENCY

Cash and short-term bank loans denominated in foreign currency at the period-end are converted into local currency at the exchange rate on the last business day of the period, and conversion differences are recognised in profit for the period under "Foreign Exchange gains" or "Foreign Exchange losses".

Note 1.7. PROVISIONS FOR CONTINGENCIES AND CHARGES

In addition to the provisions described in Note 1.5 above, a provision for unrealised losses on stock options is recorded to cover the outflow of funds arising in connection with the exercise of the options granted under current plans.

A provision is also recorded for the tax savings resulting from the utilisation of tax losses incurred by certain companies in the SEB S.A. tax group, which may have to be transferred back to the companies concerned if and when they return to profit.

Note 1.8. CORPORATION TAX

SEB S.A. and its French subsidiaries file a consolidated tax return under the Group relief system provided for in Article 223 1 to U of the French Tax Code (*Code Général des Impôts*).

No group relief agreement has been signed and each member of the tax group therefore calculates the income tax charge or benefit they would have paid or received if they had been taxed on a stand-alone basis. As the parent company, SEB S.A. recognises in its income statement any tax savings or additional tax expense arising on the consolidation of the French subsidiaries' taxable results. Tax savings corresponding to group relief for tax losses incurred by companies in the tax group are initially recognised by SEB S.A. and are transferred back to the companies concerned when they return to profit.

NOTE 2 MOVEMENTS IN NON-CURRENT ASSETS

Note 2.1. INTANGIBLE ASSETS

There were no material acquisitions or disposals of intangible assets during the year.

Note 2.2. PROPERTY, PLANT AND EQUIPMENT

There were no material acquisitions, disposals or retirements of property, plant and equipment during the year.

Note 2.3. NON-CURRENT FINANCIAL ASSETS

(in € millions)	2012	Additions	Disposals	2013
Shares in subsidiaries and affiliates	823.0	105.0	0.0	928.0
Loans to subsidiaries and affiliates	1,142.1	139.3	128.2	1,153.2
Own shares	1.1	48.8	47.9	2.0
Other long-term investments	0.3			0.3
TOTAL COST	**1,966.5**	**293.1**	**176.1**	**2,083.5**
Provisions for impairment of shares in subsidiaries and affiliates	(83.4)	(6.0)	(1.0)	(88.4)
Provisions for impairment of other long-term investments	0	0.0	0.0	0.0
TOTAL PROVISIONS	**(83.4)**	**(6.0)**	**(1.0)**	**(88.4)**
TOTAL	**1,883.1**	**287.1**	**175.1**	**1,995.1**

(in € millions)	2011	Additions	Disposals	2012
Shares in subsidiaries and affiliates	823.0	0.0	0.0	823.0
Loans to subsidiaries and affiliates	1,285.8	701.6	845.3	1,142.1
Own shares	0.4	37.6	36.9	1.1
Other long-term investments	0.1	0.2		0.3
TOTAL COST	**2,109.3**	**739.4**	**882.2**	**1,966.5**
Provisions for impairment of shares in subsidiaries and affiliates	(62.1)	(21.3)	0.0	(83.4)
Provisions for impairment of other long-term investments	0.0	0.0	0.0	0.0
TOTAL PROVISIONS	**(62.1)**	**(21.3)**	**0.0**	**(83.4)**
TOTAL	**2,047.2**	**718.1**	**882.2**	**1,883.1**

The amount of shares of subsidiaries and affiliates increased by €105 million during the financial year. This increase includes the recapitalisation of the subsidiaries Groupe SEB Moulinex for €60 thousand, S.A.S. SEB for €15 million and Calor for €20 thousand. In addition, a new subsidiary was formed, Immobilière Groupe SEB, with the payment of a capital stock of €10 million.

Loans to subsidiaries and affiliates include advances by SEB S.A. to its subsidiaries in connection with the Group's financial policy (see Note 1.5). The principal increases relate to amounts owed by subsidiaries Groupe SEB USA for €47.9 million, Groupe SEB Internationale for €38.2 million, and Groupe SEB Vostok for 600 million rubles, or €13.3 million. The principal decreases relate to Groupe SEB Moulinex for €46.0 and All-Clad Metal Crafter for €35.9 million. The company recorded an additional €5 million impairment of Groupe SEB Moulinex's shares. At year-end, the provision for impairment of that subsidiary's shares totalled €72 million.

The only own shares recognised in non-current financial assets are those held under the liquidity contract. During the financial year, 813,739 shares were bought at an average price of €60.00, and 802,996 shares were sold at an average price of €59.87. At 31 December 2013, SEB S.A. held a total of €1,412,347 own shares at an average price of €52,85, in particular to cover options plans for the purchase of SEB shares.

6

NOTE 3 LIST OF SUBSIDIARIES AND AFFILIATES

Note 3.1. DETAILED INFORMATION ON SUBSIDIARIES AND AFFILIATES

3.1.1. Subsidiaries (more than 50%-owned)

(in € millions)	Shareholders' equity before net income/loss	% interest	Carrying amount of investment	Loans and advances given and received by the company	Guarantees and bonds given by the company	Dividends received by the company during the year
Calor S.A.S.	16.8	100%	53.9	10.0	-	
S.A.S. SEB	18.9	100%	110.5	30.0	-	
Tefal S.A.S.	46.7	100%	6.6	19.7	-	9.2
Rowenta France S.A.S.	6.4	100%	16.6	(2.5)	-	
Seb Développement S.A.S.	17.3	100%	14.8	(0.6)	-	
Rowenta Invest BV	(0.2)	100%	211.8	0.2	-	
SEB Internationale S.A.S.	553.4	100%	213.3	579.4	-	60.7
Groupe SEB France	134.6	98%	73.9	(115.2)	-	63.0
Groupe SEB Export	31.1	100%	38.0	5.7	-	23.8
Groupe SEB Moulinex	27.5	100%	82.3	(9.5)	-	
Groupe SEB Retailing	1.3	100%	1.0	(1.8)	-	1.1
SEB Alliance	6.5	100%	6.8	(1.6)	-	0.0
Immobilière Groupe SEB	10.0	100%	10.0	0.0	-	0.0

3.1.2. Affiliates (10% to 50%-owned)

(in € millions)	Shareholders' equity	% interest	Carrying amount of investment	Loans and advances given and received by the company	Guarantees and bonds given by the company	Dividends received by the company during the year
S.I.S.	1.6	46.81%	0.5	10.0	-	0.6
Domaine de Seillac S.A. (at 31 December 2003)	(0.8)	24.75%	0.1	-	-	-

As allowed by Article 24 paragraph 11 of decree 83.1020 dated 29 November 1983, the results of individual subsidiaries are not disclosed because the company considers that disclosure of this information could be seriously prejudicial to its interests. Additional information analysed by geographic segment is provided in the notes to the Consolidated Financial Statements (Note 4 – Segment Information). Consolidated revenue generated by direct and indirect subsidiaries and affiliates totalled €4,161.3 million, and profit attributable to owners of the parent came to €199.8 million.

Note 3.2. GENERAL INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES

At 31 December 2012, the aggregate carrying amount of the investments in other subsidiaries and affiliates was €0.2 million.

NOTE 4 OTHER RECEIVABLES

Other receivables primarily correspond to:

- €12.5 million in income tax receivables, comprising €11.2 million in prepayments, less the €1.3 million in net tax due for the year;
- €2.7 million in financial instruments.

NOTE 5 PROVISIONS FOR CONTINGENCIES AND CHARGES

Changes in provisions for contingencies and charges for the year were as follows:

(in € millions)	2012	Increases	Reversals (unused)	Utilisations	2013
Provisions for claims and litigation					
Provisions for currency risks	72.6	75.8	69.8	2.8	75.8
Provisions for other risks	14.2	9.8	-	-	24.0
TOTAL PROVISIONS FOR CONTINGENCIES	**86.8**	**85.6**	**69.8**	**2.8**	**99.8**
Provisions for group relief	158.1	24.5		1.4	181.2
TOTAL PROVISIONS FOR CHARGES	**158.1**	**24.5**	**-**	**1.4**	**181.2**
TOTAL	**244.9**	**110.1**	**69.8**	**4.2**	**281.0**

(in € millions)	2011	Increases	Reversals (unused)	Utilisations	2012
Provisions for claims and litigation					
Provisions for currency risks	72.4	72.6	64.0	8.4	72.6
Provisions for other risks	13.2	1.0		-	14.2
TOTAL PROVISIONS FOR CONTINGENCIES	**85.6**	**73.6**	**64.0**	**8.4**	**86.8**
Provisions for group relief	140.9	19.3		2.1	158.1
TOTAL PROVISIONS FOR CHARGES	**140.9**	**19.3**	**-**	**2.1**	**158.1**
TOTAL	**226.5**	**92.9**	**64.0**	**10.5**	**244.9**

Provisions for other contingencies consist almost entirely of the provision for unrealised losses on stock options and performance shares.

NOTE 6 MATURITIES OF RECEIVABLES AND PAYABLES

All receivables are due within one year, apart from:

- medium-term intercompany loans, including, primarily, Groupe SEB Colombie for €30.7 million and Groupe SEB Ibérica for €8.8 million;
- €2.5 million in deferred arrangement fees and the €0.3 million bond redemption premium.

All payables are due within one year, with the exception of:

- the €300 million in bonds redeemable at maturity in June 2016;
- the Schuldschein loan, repayable in August 2015 for €47.5 million;
- the second Schuldschein loan, repayable in three installments of €40 million in February 2016, €118 million in August 2017 and €62 million in August 2019;
- employee non-discretionary profit-sharing accounts due in more than one year are as follows: €5.8 million due in 2015, €10.3 million due in 2016, €8.2 million due in 2017, and €7.0 million due in 2018.

(in € millions)	2012	2013	Maturities at 31 December 2013 Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bank borrowings	724.8	615.3	47.5	505.8	62
Commercial paper	90.0	76.0	76.0		
Intra-group borrowings	237.2	358.3	358.3		
Other borrowings	0.3	0.3			0.3
Non-discretionary profit sharing liability	41.7	39.6	7.7	31.9	
TOTAL	**1,094.0**	**1,089.5**	**489.5**	**537.7**	**62.3**

A key source of financing for the Group is its €600 million commercial paper programme, which has been rated A2 by Standard & Poor's for several years.

As of31 December 2013, €76 million had been drawn. All commercial paper is due in less than three months.

NOTE 7 RELATED PARTY TRANSACTIONS

Certain balance sheet items contain amounts concerning related party transactions, as follows:

(in € millions)	2013 Related parties	2013 Direct investments	2012 Related parties	2012 Direct investments
Non-current financial assets	484.4	669.0	468.0	674.0
Receivables	0.3	-	0.3	0.8
Payables	(213.3)	(160.9)	(123.5)	(123.3)
TOTAL	**271.4**	**508.1**	**344.8**	**551.4**

The advances granted to related parties mainly concerned Groupe SEB Holdings (€240.8 million) and All-Clad Metal Crafter (€48.6 million).

NOTE 8 INCOME AND EXPENSES CONCERNING RELATED PARTIES

(in € millions)	2013	2012
OPERATING EXPENSES		
Trademark registration fees	0.0	0.1
Management fees	2.8	3.9
OPERATING INCOME		
Royalties	0.2	0.2
FINANCIAL EXPENSES		
Interest and financial expenses	0.0	0.3
FINANCIAL INCOME		
Investment income	158.4	101.7
Income from receivables	24.9	6.8
OTHER INCOME		
Expense transfers	0.0	3.3

The increase in dividends paid out is explained primarily by the payment made by SEB Internationale, which increased from €0 to €60 million, as well as Groupe SEB France, which increased by €33 million. In addition, dividends paid by SEB Développement and Groupe SEB Export decreased by €63 million and €24 million, respectively.

NOTE 9 ACCRUALS ACCOUNTS

Note 9.1. DEFERRED CHARGES

(in € millions)	2013	2012
Financial expenses	2.5	3.7
TOTAL	**2.5**	**3.7**

Note 9.2. CONVERSION GAINS AND LOSSES

(in € millions)	2013	2012
Receivables and payables denominated in foreign currency	72.9	71.8
Financial instruments	2.9	0.9
TOTAL CONVERSION LOSSES - ASSETS	**75.8**	**72.6**

(in € millions)	2013	2012
Receivables and payables denominated in foreign currency	2.6	24.4
Financial instruments	2.4	2.2
TOTAL CONVERSION GAINS - LIABILITIES	**5.0**	**26.7**

Note 9.3. DEFERRED INCOME

(in € millions)	2013	2012
Loans to subsidiaries and affiliates	6.7	1.6
TOTAL	**6.7**	**1.6**

Note 9.4. DEFERRED CHARGES

(in € millions)	2013	2012
Bank borrowings	11.5	12.8
Other borrowings	0.6	0.9
Trade payables	0.3	0.4
Accrued taxes and payroll costs	1.3	1.3
Other payables	0.3	0.3
TOTAL	**14.0**	**15.8**

NOTE 10 NET NON-RECURRING EXPENSE

(in € millions)	2013	2012
Provisions for group relief to be transferred to subsidiaries	(23.1)	(17.2)
Gains and (losses) on sales of own shares	4.7	(6.8)
Other	(0.2)	(0.3)
Non-recurring expense transfer	0.0	3.3
TOTAL	**(18.6)**	**(21.0)**

Over the financial year, the sale of a total of 1,505,569 own shares, including 802,996 as part of a liquidity contract and 702,573 to be granted under stock option exercises, generated total net capital gain of €4.7 million.

Group relief is discussed in Note 11 and provisions for contingencies in Note 5.

NOTE 11 GROUP RELIEF

The consolidated group recorded a profit for the 2013 financial year. This profit is composed in part of the income tax loss of €27.5 million, recognised as income and corresponding to:

- €2.1 million in definitively acquired tax savings for the year;
- €26.8 million in tax losses of consolidated subsidiaries used during the financial year;
- an expense of -€1.4 million for use of prior losses for profit-making subsidiaries.

Moreover, an additional income tax charge for the contribution on distributed income, for €1.9 million, and in connection with the payment of a tax audit, for €0.7 million, were recognised during the financial year.

In addition, in connection with group relief rules, tax savings resulting from the utilisation of the tax losses of companies in the tax group are initially recognised by the parent company, and are transferred back to the companies in question if and when they return to profitability.

To neutralise the effects of group relief, a provision is recorded under "Non-recurring expenses" to cover the tax loss carryforwards generated by members of the tax group other than SEB S.A. These provisions are reversed through "Non-recurring income" when the tax loss carryforwards are utilised. Movements during the year were as follows:

- a €24.5 million addition to provisions for tax losses of subsidiaries other than SEB S.A. arising during the year;
- a €1.3 million reversal in respect of tax losses utilised during the year.

NOTE 12 INCOME TAX ANALYSIS

Income tax for the year ended 31 December 2013 breaks down as follows:

(in € millions)	Before tax	Tax expense/(benefit)	After tax
Profit from ordinary activities	147.1	(4.0)	143.0
Net non-recurring expense	(18.6)	(7.1)	(25.6)
Tax loss carryforwards generated/(utilised)		11.1	11.1
Group relief		24.6	24.6
TOTAL	**128.5**	**24.6**	**153.1**

NOTE 13 OFF-BALANCE SHEET COMMITMENTS

(in € millions)	31/12/2013		31/12/2012	
	Notional amount	Market value	Notional amount	Market value
MARKET CONTRACTS				
Currency swaps (foreign currency borrower)	419.2	(0.1)	422.4	(2.4)
Currency swaps (foreign currency lender)	0.0	0.0	0.0	0.0
Forward sales of foreign currencies	87.0	1.1	212.4	13.0
Forward purchases of foreign currencies	407.8	6.1	238.3	(2.5)
Interest rate swaps	78.0	(0.5)	0.0	0.0
Aluminium derivatives	31.5	(3.7)	29.8	(1.6)
Nickel derivatives	2.0	(0.3)	3.2	(0.2)
CONTRACTS WITH SUBSIDIARIES				
Currency swaps (foreign currency lender)	29.9	(0.2)	37.0	(0.2)
Forward purchases of foreign currencies	50.3	0.4	4.1	0.0
Aluminium derivatives	31.5	(3.7)	29.8	(1.6)
Nickel derivatives	2.0	(0.3)	3.2	(0.2)

The use and accounting treatment of financial instruments are discussed in Note 1.5. Notional amounts represent the notional amounts of the contracts.

The market value of financial instruments represents the gain or loss that would be recognised if the contracts were settled on the market at 31 December 2013. It is estimated based on the exchange rate and interest rate on 31 December 2013, or obtained from the counterparty banks.

NOTE 14 PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

PENSION COMMITMENT

Thierry de La Tour d'Artaise is a member of the top-hat pension scheme set up for French members of Groupe SEB Executive and Management Committees.

The scheme is additional to the statutory schemes and functions as follows:

- a defined benefit deferred compensation plan, under which beneficiaries are subject to seniority conditions and the benefits are only payable if the executive is still a member of the Group when he retires. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated as the average of the target remuneration for the executive's final three years of service with the Group;
- a defined benefit supplementary pension plan, under which beneficiaries are also subject to seniority conditions and the benefits are only payable if the executive is still a member of the Group when he retires. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated as the average of the target remuneration for the executive's final three years with the Group. The number of years for which entitlements may accrue under this plan has been capped at 20, i.e. a maximum 16% of the reference remuneration. Pensions earned under the defined contribution plan are deducted from this supplementary pension.

To qualify for the defined benefit plan, Groupe SEB executives must have been a member of the Executive or Management Committee for at least eight years.

The aggregate benefits payable under both the top-hat scheme and the applicable statutory schemes are capped at 41% of the reference remuneration.

Furthermore, the Board of Directors' Meeting of 19 March 2010 decided, in addition to the above rules, to limit the reference remuneration used as the calculation basis to 36 times the annual Social Security ceiling in force on the retirement date. This means that the corporate officer will be eligible for a gross compensation replacement rate (including the benefits of statutory retirement plans) of 32% of the reference remuneration at the legal retirement age.

Groupe SEB intends to outsource the entire commitment through matching payments to a fund into which the pension contributions are made on a regular basis.

SEVERANCE ALLOWANCE

Thierry de La Tour d'Artaise will not be entitled to any compensation for loss of office when he ceases to be a corporate officer.

His employment contract, signed when he joined Groupe SEB in 1994 and last amended when he was appointed Managing Director of the Group, was suspended on 1 March 2005 for the duration of his term as corporate officer.

In the same way as for other Executive Committee members, the contract stipulates that in the event of termination of his employment contract at Groupe SEB's initiative, except as a result of gross negligence or serious misconduct, or forced departure following a change of control of Groupe SEB, Thierry de La Tour d'Artaise will be eligible for a total termination benefit equal to two years' remuneration. Following adoption of France's TEPA Act, an addendum was signed making the termination benefit subject to performance conditions. The revised contract stipulates that the termination benefit, set at a maximum of two years' gross salary and bonus, will be adjusted based on actual performance in relation to targets over Thierry de La Tour d'Artaise's last four years of service, as follows:

- if average actual performance falls short of the targets by 50% or more, no termination benefit will be paid;
- if average actual performance represents 50% to 100% of the targets, between 75% and 100% of the termination benefit will be paid;
- if average actual performance exceeds the targets, the termination benefit will be paid in full.

The Board of Directors retains the right to reduce such termination benefits, by a maximum of one-half, if the previous year-end presents a net loss, without such benefits falling below the fixed salary plus bonuses of the previous year-end, should application of the performance criteria be based on the achievement of objectives entitle the payment of termination benefits.

Thierry de La Tour d'Artaise's employment contract does not contain any no compete clause.

The Group's remuneration policy aims to attract and retain talented employees. Groupe SEB's policy has always been to encourage internal promotion and sustainable management.

Thierry de La Tour d'Artaise began his career with the Group in 1994, was appointed Vice-Chairman of SEB S.A. in 1999 and has served as Chairman and CEO since 2000. In accordance with changing governance practice, his employment contract has been suspended since 2005.

On 17 February 2012, in accordance with the AFEP-MEDEF Code, the Board of Directors reviewed the situation and agreed that the employment contract of Thierry de La Tour d'Artaise should remain suspended due to his age, his personal situation and his seniority within the Group.

NOTE 15 UNRECOGNISED DEFERRED TAXES

At 31 December 2013, the company had an unrecognised deferred tax liability of €1.8 million (€9,6 million at 31 December 2012), corresponding to unrealised exchange gains deductible in the following year.

NOTE 16 STOCK OPTION PLANS

Information about stock option and performance share plans at 31 December 2013 is provided below:

At 31/12/2013	Date			Number of options*				
Type	of grant*	of exercise	of expiry	Granted	Exercised	Cancelled	Outstanding	Exercise price** (in €)
Purchase plan	08/04/2005	08/04/2009	08/04/2013	554,700	531,000	23,700	-	€28.00
Purchase plan	16/06/2006	16/06/2010	16/06/2014	589,798	546,926	14,707	28,165	€29.33
Purchase plan	20/04/2007	20/04/2011	20/04/2015	579,150	358,889	8,100	212,161	€44.00
Purchase plan	13/05/2008	13/05/2012	13/05/2016	1,005,900	375,500	47,400	583,000	€38.35
Purchase plan	12/06/2009	12/06/2013	12/06/2017	371,300	156,565	15,266	199,469	€28.05
Purchase plan	18/06/2010	18/06/2014	18/06/2018	412,592	-	10,288	402,304	€53.86
Purchase plan	15/06/2012	15/06/2016	15/06/2020	408,925		1,500	407,425	
TOTAL				**3,922,365**	**1,968,880**	**120,961**	**1,832,524**	
Of which, movements in 2013				-	702,573	18,066	(720,639)	

* *The number of options and the exercise price for plans prior to 16 June 2008 were adjusted following the three-for-one stock split that took effect on that date.*
** *The grant date corresponds to the date of the Board Meeting when the performance share grants were decided.*

At 31/12/2013	Date			Number of options				
Type	of grant*	of vesting	of end of lock-up	Granted	Vested	Cancelled	Outstanding	Share price at grant date**
Performance shares	15/06/2012	15/06/2014	15/06/2016	63,938		374	63,564	51.00
Performance shares	23/07/2013	23/07/2016	23/07/2018	233,475			233,475	63.00

* *The grant date corresponds to the date of the Board Meeting when the performance share grants were decided.*
** *Opening share price on the date of the Board Meeting when the performance share grants were decided.*

NOTE 17 EQUITY

- **Share capital**

On 31 December 2013, share capital stood at €50,169,049 and was made up of 50,169,049 fully paid-up shares, representing 73,014,296 total "theoretical" voting rights, and 71,601,949 effective voting rights (excluding treasury stock).

- **Changes in equity**

SHAREHOLDERS' EQUITY AT 31 DECEMBER 2012 BEFORE APPROPRIATION OF PROFIT	847.7
2012 dividend paid in 2013	(66.1)
Net profit for the year	153.1
Premiums on shares issued to employees	
EQUITY AT 31 DECEMBER 2013	**934.7**

SHAREHOLDERS' EQUITY AT 31 DECEMBER 2011 BEFORE APPROPRIATION OF PROFIT	839.1
2011 dividend paid in 2012	(61.9)
Net profit for the year	61.3
Changes in share capital - employee share issue	0.2
Premiums on shares issued to employees	9.0
EQUITY AT 31 DECEMBER 2012	**847.7**

- **Potential ordinary shares at 31 December 2013**

There are no convertible bonds or equity notes outstanding or securities not representing capital.

NOTE 18 EMPLOYEES

The company had one employee in 2013 and 2012.

NOTE 19 POST-BALANCE SHEET EVENTS

Acquisition of the Parc Mail real estate complex in Ecully

On 13 January 2014, the Group acquired the Parc Mail real estate complex through its new wholly owned subsidiary, Immobilière Groupe SEB, which already hosts various activities and part of the 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 will be paid out in 2014.

6.3. FIVE-YEAR FINANCIAL SUMMARY

(in € thousands)	2013	2012	2011	2010	2009
SHARE CAPITAL AT YEAR-END					
a) Share capital	50,169	50,169	49,952	49,952	49,952
b) Number of shares outstanding	50,169,049	50,169,049	49,951,826	49,951,826	49,951,826
c) Number of convertible bonds outstanding	-	-	-	-	-
RESULTS OF OPERATIONS					
a) Net revenue, excluding tax	-	-	-	-	-
b) Profit before tax, depreciation, amortisation and provisions	170,977	70,279	160,295	49,519	44,510
c) Income tax	(24,590)	(32,186)	(29,186)	(14,710)	(26,496)
d) Net profit	153,091	61,289	77,779	45,722	74,108
e) Dividend payout [(a)]	67,351	64,144	62,403	51,237	45,403
PER SHARE DATA *(in €)*					
a) Earnings per share after tax and before depreciation, amortisation and provisions	3.90	2.04	3.79	0.70	1.42
b) Earnings per share	3.05	1.22	1.56	0.92	1.48
c) Dividend per share	1.39	1.32	1.25	1.17	1.04
EMPLOYEES					
a) Number of employees	1.00	1.00	1.00	1.00	1.00
b) Total payroll	1,795	1,681	1,833	2,196	2,376
c) Total payroll taxes	817	1,152	510	2,246	2,667

(a) Including dividend supplement (amount estimated in 2013).

6.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you for the year ended 31 December 2013 on:

- the audit of the accompanying financial statements of SEB S.A.;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at 31 December 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

As indicated in Note 1.3 to the financial statements, the company records impairment depreciation of its equity investments when their carrying value falls below their historical cost. Depreciations are determined based on the share of equity held, the market value of the securities, when it can be known and the medium and long-term profitability outlook of the equity investments concerned. Our procedures consisted in assessing the data and assumptions on which such provisions are based and verifying the company's calculations.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

Specific verifications and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Lyon and Villeurbanne, 10 March 2014

The Statutory auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Nicolas BRUNETAUD	Gérard BADIN

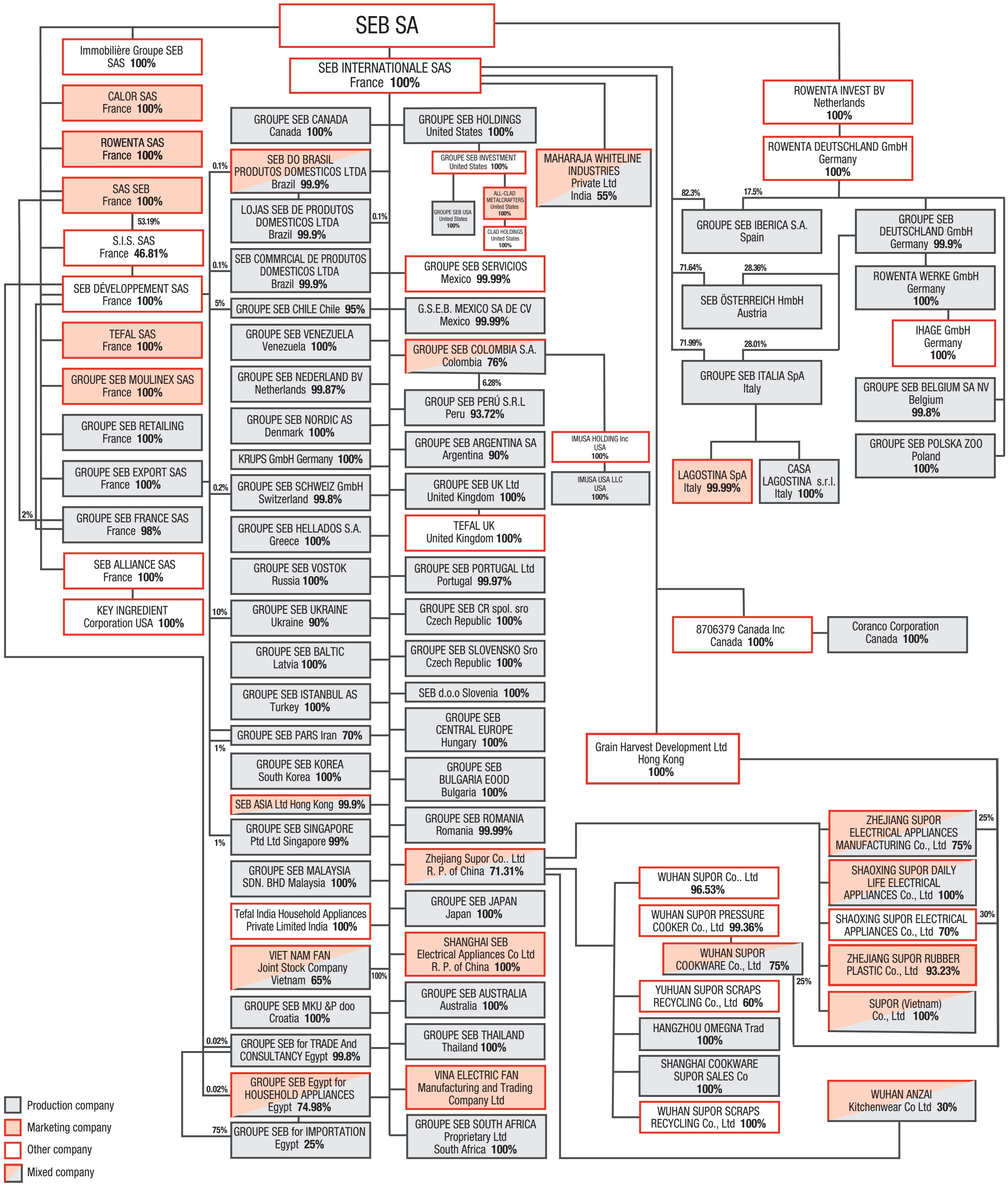
7

INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

7.1. GENERAL INFORMATION CONCERNING SEB S.A.

Groupe SEB legal organisational chart

Groupe SEB legal organisational chart at 10/01/2014



Corporate name: SEB S.A.

Registered head office: Les 4M | Chemin du Petit-Bois | 69130 Écully, France

Tel.: +33 (0) 472 18 18 18 | Fax: +33 (0) 472 18 16 55

Business registration number: 300.349.636 RCS Lyon

Industrial classification (NACE) code: 6420 Z

Legal form: French limited company (*Société Anonyme*)

Financial year: 1 January to 31 December

Governing law: French

Duration: 99 years from 1973

Corporate objects (Article 3, Company bylaws)

The object of the company in France and abroad covers:

- investment in any company involved in any form of business and, in consequence, the acquisition or subscription of all types of shares, warrants, capital holdings and interests, all types of marketable securities, as well as the disposal of the said investments and marketable securities;
- all operations concerning the financing of its subsidiaries and other companies in which it owns or may acquire a holding;
- the acquisition and registration of patents or inventions and the granting of all forms of licences for the use of these patents;
- the acquisition, construction and management of real estate and its disposal;
- all operations contributing to the development of the company and to the achievement of the objects specified above.

Statutory allocation of profits (Article 46, Company bylaws)

Profits are allocated in accordance with legal requirements and regulations. Payment of dividends is made in priority over distributable profits.

The Annual General Meeting may offer shareholders an option to choose payment of dividends in cash or in the form of new shares.

A supplementary dividend payment per share of 10% of the unit value of the dividend in question, which may be rounded down to the nearest even number of euro cents, shall be paid in respect of shares registered without interruption by the same shareholder in the nominal register for at least two financial years preceding the dividend payment, and which are still registered on the ex-dividend date. For any one shareholder, this supplement is limited to a number of shares which may not exceed 0.5% of share capital. This supplement can be altered or cancelled by decision of an Extraordinary General Meeting of Shareholders which will then decide on any new terms and conditions.

The General Meeting also has the power to decide on the distribution of amounts to be drawn from the reserves at its disposal. In this case, the reserve accounts from which funds are to be drawn are explicitly indicated.

General Meetings of Shareholders (Article 30 et seq. of Company bylaws)

Shareholders are notified of the AGM in accordance with legal requirements.

Each shareholder has the right to attend General Meetings or to be represented, regardless of the number of shares held, provided that the said shares are fully paid up and registered in either the shareholder's name or in the name of the intermediary registered on the shareholder's behalf, at zero hour, French time, on the third business day preceding the General Meeting, either in the accounts of registered shares held by the company, or in bearer share accounts held by the qualified intermediary.

Double voting rights (Article 35, Company bylaws)

Each member attending the meeting is entitled to exercise one vote for every share they hold or represent. However, double voting rights are conferred on fully-subscribed, registered nominal shares held by the same person for at least five years (decision by the General Meeting of 15 June 1985). Entitlement to double voting rights expires if the shares concerned are converted to bearer status or if their ownership is transferred, except in cases where the transfer involves a change of name in the nominal register subsequent to family inheritance or endowment. In the event of an increase in capital by incorporation of reserves, income or issue premiums, double voting rights are conferred, from the time of issue, on registered shares allocated free of charge to a shareholder on the basis of shares already held which bear this entitlement.

7

Limitation of voting rights

There is no statutory limitation on voting rights.

Statutory threshold clause (Article 8, Company bylaws)

There exists an obligation to disclose any holding which exceeds a threshold of 2.5% (or any multiple thereof) of the company's capital or voting rights.

Identity of bearer shareholders

The company may at any time, in accordance with legal provisions and regulations in force, ask the Euroclear France securities settlement agency to provide:

- the personal name or company name, address and nationality of holders of shares in the company;
- the quantity of shares held by each of them;
- where applicable, any restrictions to which these shares may be subject.

SEB S.A. made such a request to know the identity of its shareholders on 31 December 2013.

Share capital at 31 December 2013

At 31 December 2013, share capital stood at €50,169,049 and was made up of 50,169,049 fully paid-up shares, representing 73,014,296 total "theoretical" voting rights, and 71,601,949 effective voting rights (excluding treasury stock).

There are no stricter conditions than the law to modify shareholder rights.

Elements which could affect a hypothetical takeover bid

In compliance with Article L. 225-100-3 of the French Commercial Code, elements which could affect a hypothetical takeover bid are stated below:

CAPITAL STRUCTURE OF THE COMPANY

See following page: "Breakdown of share capital and voting rights on 31/12/2013";

SHAREHOLDER AGREEMENTS OF WHICH THE COMPANY IS AWARE

See following page: "Shareholder agreements – concerted voting bloc";

POWERS OF THE BOARD OF DIRECTORS IN THE EVENT OF A TAKEOVER BID

The General Meeting of 14 May 2013 authorised the Board of Directors to implement a share buyback programme in the event of a takeover bid, subject to legal and regulatory provisions.

7.2. GENERAL INFORMATION ON SHARE CAPITAL

Breakdown of share capital and voting rights on 31 December 2013

	SHARE CAPITAL				VOTING RIGHTS					
					OGM			EGM		
	OGM		EGM			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	9,380,743	18.70%	3	0.00%	18,336,218	25.61%	25.11%	6	0.00%	0.00%
FÉDÉRACTIVE associates	1,925,251	3.84%	11,305,991	22.54%	3,137,585	4.38%	4.30%	21,473,797	29.99%	29.41%
SUB-TOTAL	**11,305,994**	**22.54%**	**11,305,994**	**22.54%**	**21,473,803**	**29.99%**	**29.41%**	**21,473,803**	**29.99%**	**29.41%**
VENELLE INVESTISSEMENT	17,902	0.03%	17,902	0.04%	22,405	0.03%	0.03%	22,405	0.03%	0.03%
VENELLE INVESTISSEMENT associates	9,330,492	18.60%	10,062,492	20.06%	18,373,144	25.66%	25.16%	19,837,144	27.70%	27.17%
SUB-TOTAL	**9,348,394**	**18.63%**	**10,080,394**	**20.09%**	**18,395,549**	**25.69%**	**25.19%**	**19,859,549**	**27.74%**	**27.20%**
FOUNDER GROUP	**20,654,388**	**41.17%**	**21,386,388**	**42.63%**	**39,869,352**	**55.68%**	**54.60%**	**41,333,352**	**57.73%**	**56.61%**
FSP	2,633,876	5.25%	2,633,876	5.25%	2,633,876	3.68%	3.61%	2,633,876	3.68%	3.61%
FFP Invest	2,521,522	5.03%	2,521,522	5.03%	2,521,522	3.52%	3.45%	2,521,522	3.52%	3.45%
Employees	1,680,072	3.35%	1,680,072	3.35%	2,891,186	4.04%	3.96%	2,891,186	4.04%	3.96%
French investors	6,957,019	13.87%	6,225,019	12.41%	8,377,407	11.70%	11.48%	6,913,407	9.66%	9.47%
Foreign shareholders	11,217,381	22.36%	11,217,489	22.36%	11,348,979	15.85%	15.55%	11,349,194	15.85%	15.55%
French individual shareholders	3,092,444	6.16%	3,092,336	6.16%	3,959,627	5.53%	5.42%	3,959,412	5.53%	5.42%
Treasury stock	1,412,347	2.81%	1,412,347	2.81%			1.93%			1.93%
CARRYING AMOUNT	**50,169,049 SHARES**		**50,169,049 SHARES**			**71,601,949 EFFECTIVE VOTING RIGHTS**	**73,014,296 THEORETICAL VOTING RIGHTS**		**71,601,949 EFFECTIVE VOTING RIGHTS**	**73,014,296 THEORETICAL VOTING RIGHTS**

The term "Founder Group", used in the table above, refers to a group of natural persons who are either direct descendants of the Lescure family or related to the family through marriage, and any legal entities that they control.

Some natural persons who are FÉDÉRACTIVE associates temporarily granted the usufruct of their shares to FÉDÉRACTIVE, the controlling holding company, which principally represents the equity interests of the founding family.

Some natural persons who are VENELLE INVESTISSEMENT associates temporarily granted the usufruct of their shares to a foundation. These shares are included under "Investors" at the OGM and under "VENELLE INVESTMENT partners" at the EGM.

As a reminder, voting rights attached to stripped shares belong to the bare holder for decisions concerning the Extraordinary General Meeting ("EGM") and to the usufruct holder for those concerning the Ordinary General Meeting ("OGM").

Registered nominal shares held by the same person for at least five years give entitlement to double voting rights.

The total number of "effective" voting rights or voting rights that are "exercisable at the General Meeting" total 71,601,949, not including non-voting shares, i.e. those held by SEB S.A.

The total number of "theoretical" voting rights is 73,014,296. This number includes, under the terms of Article 223–11 of the AMF general regulations, all shares with voting rights attached, as well as non-voting shares.

SHAREHOLDER AGREEMENTS — CONCERTED VOTING BLOCK

The FÉDÉRACTIVE and VENELLE INVESTISSEMENT family holdings, representing together with their associates 57.73% of voting rights exercisable at the EGM, confirmed their intention to implement a sustainable management policy for Groupe SEB in writing to the AMF (French Markets Authority) in letters dated 11 and 12 May 2009, with a view to ensuring the longevity of their control and thus pursuing the concerted voting block in place between the members of the Founder Group since May 1989.

Thus, although the parties to the shareholders agreement of 5 November 2005 failed to renew it when it expired on 5 November 2009, they were still considered to be acting in concert for the purposes of Article L. 233-10 of the French Commercial Code (AMF D&I no. 209C0644 dated 12 May 2009).

The representatives of the two family holdings have further declared to the Board of Directors their wish to exchange views prior to any significant decision and to maintain their previous agreement on the composition of the Board as determined in the agreement of 2005. In this respect, FÉDÉRACTIVE may propose the appointment of five members of the Board and VENELLE INVESTISSEMENT may propose the appointment of four members, with equivalent representation on Board committees.

FÉDÉRACTIVE Agreement

On 9 July 2008, SEB shareholder associates of FÉDÉRACTIVE signed a shareholder agreement reinforcing their commitment to the Group.

The provisions of this agreement foresee preferential conditions between its signatories for the sale or acquisition of SEB shares held, as well as a binding exit clause. The provisions also envisage the participation of other investors willing to provide lasting commitment to the development of Groupe SEB and to take part in shareholder policies alongside the FÉDÉRACTIVE Founder Group members (AMF D&I no. 208C1659 dated 11 September 2008).

VENELLE INVESTISSEMENT Agreement

On 12 May 2009, VENELLE INVESTISSEMENT, its associates and shareholder members entered into a shareholder agreement to ensure that VENELLE INVESTISSEMENT, its associates and shareholder members mutually agree as a matter of priority to propose a prior right to acquisition applicable to any transfer or sale of share subject to pre-emptive rights (AMF D&I no. 209C0743 dated 27 May 2009).

COLLECTIVE UNDERTAKINGS TO HOLD SHARES

Agreements in force as of 31/12/2013	2005	2013	2013
Scheme	Dutreil Art. 885 I Bis of the General Tax Code	Dutreil Art. 885 I Bis of the General Tax Code	Jacob Art. 787 B of the General Tax Code
Signed on	28/12/2005	12/12/2013	12/12/2013
Term of collective commitment	6 years, with early renewal on 13/12/2011 for 2 years	6 years	2 years
Expiration date of commitment	13/12/2013	12/12/2019	12/12/2015
Terms of renewal	1 year by tacit renewal	1 year by tacit renewal	None
Percentage of share capital committed upon execution of the agreement	22.06	22.78	22.78
Percentage of voting rights committed upon execution of the agreement	26.60	29.06	29.06
Names of top-management signatories	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise
Name of signatories holding at least 5% of the share capital and/or voting rights in the company	VENELLE INVESTISSEMENT FFP Invest	FSP	FSP

Changes in share capital breakdown and voting rights over the last three years

	Share capital				OGM voting rights			EGM voting rights		
31/12/2013	OGM		EGM			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	9,380,743	18.70%	3	0.00%	18,336,218	25.61%	25.11%	6	0.00%	0.00%
Associates	1,925,251	3.84%	11,305,991	22.54%	3,137,585	4.38%	4.30%	21,473,797	29.99%	29.41%
SUB-TOTAL	**11,305,994**	**22.54%**	**11,305,994**	**22.54%**	**21,473,803**	**29.99%**	**29.41%**	**21,473,803**	**29.99%**	**29.41%**
VENELLE INVESTISSEMENT	17,902	0.03%	17,902	0.04%	22,405	0.03%	0.03%	22,405	0.03%	0.03%
Associates	9,330,492	18.60%	10,062,492	20.06%	18,373,144	25.66%	25.16%	19,837,144	27.70%	27.17%
SUB-TOTAL	**9,348,394**	**18.63%**	**10,080,394**	**20.09%**	**18,395,549**	**25.69%**	**25.19%**	**19,859,549**	**27.74%**	**27.20%**
FOUNDER GROUP	**20,654,388**	**41.17%**	**21,386,388**	**42.63%**	**39,869,352**	**55.68%**	**54.60%**	**41,333,352**	**57.73%**	**56.61%**
FSP	2,633,876	5.25%	2,633,876	5.25%	2,633,876	3.68%	3.61%	2,633,876	3.68%	3.61%
FFP Invest	2,521,522	5.03%	2,521,522	5.03%	2,521,522	3.52%	3.45%	2,521,522	3.52%	3.45%
Employees	1,680,072	3.35%	1,680,072	3.35%	2,891,186	4.04%	3.96%	2,891,186	4.04%	3.96%
French investors	6,957,019	13.87%	6,225,019	12.41%	8,377,407	11.70%	11.48%	6,913,407	9.66%	9.47%
Foreign shareholders	11,217,381	22.36%	11,217,489	22.36%	11,348,979	15.85%	15.55%	11,349,194	15.85%	15.55%
Individual shareholders	3,092,444	6.16%	3,092,336	6.16%	3,959,627	5.53%	5.42%	3,959,412	5.53%	5.42%
Treasury stock	1,412,347	2.81%	1,412,347	2.81%			1.93%			1.93%
CARRYING AMOUNT	**50,169,049**					**71,601,949**	**73,014,296**		**71,601,949**	**73,014,296**

	Share capital				OGM voting rights			EGM voting rights		
31/12/2012	OGM		EGM			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	10,165,645	20.26%	3	0.00%	19,721,803	27.43%	26.67%	6	0.00%	0.00%
Associates	1,581,281	3.15%	11,745,923	23.41%	3,148,014	4.38%	4.26%	22,869,811	31.81%	30.93%
SUB-TOTAL	**11,745,926**	**23.41%**	**11,745,926**	**23.41%**	**22,869,817**	**31.81%**	**30.93%**	**22,869,817**	**31.81%**	**30.93%**
VENELLE INVESTISSEMENT	7,461,243	14.87%	17,902	0.04%	14,890,674	20.71%	20.14%	17,905	0.02%	0.02%
Associates	2,104,788	4.20%	10,024,991	19.98%	3,921,488	5.45%	5.30%	19,747,981	27.47%	26.71%
SUB-TOTAL	**9,566,031**	**19.07%**	**10,042,893**	**20.02%**	**18,812,162**	**26.16%**	**25.44%**	**19,765,886**	**27.49%**	**26.73%**
FOUNDER GROUP	**21,311,957**	**42.48%**	**21,788,819**	**43.43%**	**41,681,979**	**57.97%**	**56.37%**	**42,635,703**	**59.30%**	**57.66%**
FFP Invest	2,521,522	5.02%	2,521,522	5.02%	2,521,522	3.51%	3.41%	2,521,522	3.51%	3.41%
Employees	1,749,253	3.49%	1,749,253	3.49%	2,916,211	4.06%	3.94%	2,916,211	4.06%	3.94%
Investors	9,109,036	18.16%	8,632,174	17.21%	10,378,623	14.44%	14.03%	9,424,899	13.11%	12.74%
Foreign shareholders	9,723,635	19.38%	9,723,743	19.38%	9,803,401	13.63%	13.26%	9,803,616	13.63%	13.26%
Individual shareholders	3,703,544	7.38%	3,703,436	7.38%	4,596,241	6.39%	6.22%	4,596,026	6.39%	6.22%
Treasury stock	2,050,102	4.09%	2,050,102	4.09%			2.77%			2.77%
CARRYING AMOUNT	**50,169,049**					**71,897,977**	**73,948,079**		**71,897,977**	**73,948,079**

	Share capital				OGM voting rights			EGM voting rights		
31/12/2011	OGM		EGM			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	10,152,018	20.33%	0	0.00%	19,587,877	27.50%	26.63%	0	0.00%	0.00%
Associates	1,629,203	3.26%	11,781,221	23.58%	3,126,090	4.39%	4.25%	22,713,967	31.89%	30.88%
SUB-TOTAL	**11,781,221**	**23.59%**	**11,781,221**	**23.58%**	**22,713,967**	**31.89%**	**30.88%**	**22,713,967**	**31.89%**	**30.88%**
VENELLE INVESTISSEMENT	7,461,243	14.94%	17,902	0.04%	14,889,963	20.91%	20.24%	17,905	0.03%	0.03%
Associates	2,070,646	4.14%	9,990,849	20.00%	3,869,591	5.43%	5.26%	19,695,373	27.65%	26.77%
SUB-TOTAL	**9,531,889**	**19.08%**	**10,008,751**	**20.04%**	**18,759,554**	**26.34%**	**25.50%**	**19,713,278**	**27.68%**	**26.80%**
FOUNDER GROUP	**21,313,110**	**42.67%**	**21,789,972**	**43.62%**	**41,473,521**	**58.23%**	**56.38%**	**42,427,245**	**59.57%**	**57.68%**
FFP Invest	2,521,522	5.05%	2,521,522	5.05%	2,521,522	3.54%	3.43%	2,521,522	3.54%	3.43%
Employees	1,543,562	3.09%	1,543,562	3.09%	2,819,720	3.96%	3.83%	2,819,720	3.96%	3.83%
Investors	9,512,003	19.04%	9,035,141	18.09%	10,788,224	15.15%	14.67%	9,834,500	13.81%	13.37%
Foreign shareholders	9,011,560	18.04%	9,011,725	18.04%	9,093,052	12.77%	12.36%	9,093,382	12.77%	12.36%
Individual shareholders	3,718,272	7.44%	3,718,107	7.44%	4,533,432	6.35%	6.16%	4,533,102	6.35%	6.16%
Treasury stock	2,331,797	4.67%	2,331,797	4.67%			3.17%			3.17%
CARRYING AMOUNT	**49,951,826**					**71,229,471**	**73,561,268**		**71,229,471**	**73,561,268**

Although the company is monitored, the organisation and operating methods of the Board of Directors and the Committees ensure balanced control and effective management of conflicts of interest. Effectively, excluding the Chairman:

- five independent Board members are not members of the Founder Group;
- the nine members of the Board representing the Founder Group are subject to the same regulations as other directors, concerning the interest of the company and the rules stated in the Charter and Internal Regulations.

In addition, each year since 2003 (except in 2009 due to lack of time), the Board has assessed its operations, ensuring that all rules applicable to good corporate governance are respected.

At 31 December 2013, more than 6,300 shareholders owned registered SEB shares and 21,500 shareholders held SEB bearer shares. (Source: TPI inquiry dated 31 December 2013).

To the knowledge of the company, there are no other shareholders who own directly, indirectly or jointly with others, 5% or more of share capital or voting rights.

SHARES IN THE SEB S.A. NOMINAL REGISTER USED AS COLLATERAL AT 31 DECEMBER 2013

During the year, 12 individual shareholders used SEB shares registered in the SEB S.A. nominal register as collateral for loans in favour of their financial intermediaries. This concerned a total of 90,758 shares, or 0.18% of share capital.

Changes in share capital over the last five years

Year	Type of issue of share capital	Amount of change in shares	Nominal *(in €)*	Additional paid-in capital *(in €)*	Total share capital *(in €)*
2009 March	Cancellation of shares	(1,000,000)	(1,000,000)	(29,629,143)	49,912,138
2009 December	Issue of shares arising from the exercise of stock options	39,688	39,688	664,660	49,951,826
2010	No change to share capital				49,951,826
2011	No change to share capital				49,951,826
2012	Issue of share capital reserved for employees	217,223	217,223	9,023,192	50,169,049
2013	No change to share capital				50,169,049

Potential ordinary shares at 31 December 2013

There are no stock options granted to employees and none that can be exercised. Also, there are no convertible bonds or equity notes outstanding or securities not representing capital.

Changes in share capital breakdown over the last three years

In December 2011, FFP shares were reclassified as belonging to FFP Invest.

In 2012, there was no significant change in the share capital breakdown.

In 2013:

- the holding of FÉDÉRACTIVE associates was reduced by the sale of 420,000 shares with double voting rights in January, and a reclassification of 442,453 shares, including 442,128 with double voting rights in December;
- The temporary grant of the usufruct of shares to VENELLE INVESTISSEMENT ended on 1 July and was not renewed. This had no effect on the overall holding of VENELLE INVESTISSEMENT and its associates;
- The Sicav FSP (Fonds Stratégique et Participations) acquired 5.25% of the share capital in July.

7.3. FINANCIAL AUTHORISATIONS

Authorisation to issue shares and other securities

Type of operation	Date of authorisation	Expiry of authorisation	Maximum amount authorised	Used at 31/12/2013
Purchase of its own shares by the company at a maximum price of €130	05/13	07/14	€652,197,637	€3,009,029
Cancellation of its own shares by the company	05/13	07/14	10% of nominal capital, i.e. 5,016,904 shares per 24-month period	
Issue of all types of securities with preferential subscription rights	05/13	07/14	Issue of share: capital: €5,000,000	
	05/13	07/14	Issue of receivables: €150,000,000	
Issue of all types of securities without preferential subscription rights	05/13	07/14	Issue of share: capital: €5,000,000	
	05/13	07/14	Issue of receivables: €150,000,000	
Issue of shares reserved for employees participating in Company savings scheme	05/13	07/14	€501,690 of the nominal share capital, i.e. 501,690 shares	
Issue of share capital by incorporation of reserves, income, shares or other premiums	05/13	07/14	€10,000,000	

Authorisation for the company to trade in its own shares

Following the authorisation granted by the General Meetings of 2012 and 2013, and under Article 225–209 of the French Commercial Code, your Board bought back 54,075 shares in 2013 at an average price of €55.65. A total of 702,573 shares were disposed of as part of the exercise of stock options at an average price of €35.49.

Furthermore, 813,739 shares were purchased at an average price of €60.00, and 802,996 shares were sold at an average price of €59.87 under a liquidity agreement.

At 31 December 2013, the company had 1,412,347 treasury shares, i.e. 2.82% of its share capital, of which 1,381,886 under the buyback agreement and 30,461 under the liquidity agreement.

The company will renew its request to the General Meeting of 15 May 2014 for authorisation to trade in its own shares.

7.4. EMPLOYEE SHAREHOLDING

Staff mutual investment fund and direct employee shareholding

At 31 December 2013, employees of Groupe SEB's companies held 1,255,119 shares, 1,013,800 of which were owned as part of a Company savings scheme via an employee mutual investment fund, and 241,319 were directly owned. These shares represent 2.50% of share capital and 3.27% of voting rights. With the addition of SEB shares held by employees outside the savings scheme, employees held a total of 3.35% of share capital and 4.04% of voting rights.

Bonus and profit-sharing schemes

To attract competent and career-oriented employees at all levels and in addition to its dynamic salary and career management policies, Groupe SEB has always pursued an active policy of employee shareholding and staff participation in profits, through:

- an exceptional Group profit-sharing agreement, which involves employee shareholding and profit sharing with significantly more interesting terms than legally required. Depending on the year, the exceptional part represents between two and four times the legal amount of profit-sharing;
- a Group bonus scheme agreement, based on a scheme stipulated by law, but which is discretionary. This Corporate-level agreement allows a fair distribution of the sums from the bonus scheme between the employees of the different companies regardless of their business sector and performance.

In 2013, charges recognised for bonus and profit-sharing schemes amounted to €37.2 million.

Over the past five years, the sums assigned were as follows:

(In € millions)	2013	2012	2011	2010	2009	2008
Sum assigned	37.2	43.6	44.0	50.3	33.5	38.2
Of which employer's social tax contribution	6.2	7.1	3.3	2.9	1.3	0.7

Stock option and performance share allocation policy

Groupe SEB operates two types of stock option allocation schemes:

- periodically, an allocation of stock options to members of management, extended to the Group's different entities, according to their individual potential, responsibilities and performance;
- occasionally, a broader allocation with a view to mobilising employees around a specific project.

CHARACTERISTICS OF STOCK OPTIONS ALLOCATED

The Group allocated stock options until 2012.

The exercise price is equal to the average of the last twenty stock market prices preceding the date of allocation by the Board. No discount is proposed on this average price.

The stock options last for eight years. They can only be exercised four years from their date of allocation.

The stock options granted to the corporate officer and to the other members of the Group Executive Committee are subject to performance-based criteria related to targets for sales and operating margin. Some of these criteria are yearly, while others pertain to a four-year period.

CHARACTERISTICS OF THE PERFORMANCE-RELATED SHARES AWARDED

The shares are awarded to recipients following a three-year vesting period (two years for plans before 2013), subject to performance and continued employment requirements. Recipients are required to retain the shares for an additional two years.

The performance-based criteria are related to obtaining targets for sales and operating margin over the vesting period.

HOLDING CONDITIONS APPLICABLE TO THE CHIEF EXECUTIVE OFFICER AND OTHER MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

- Shares originating from the exercise of stock options and free shares allocated to Mr Thierry de La Tour d'Artaise are subject to an obligation to hold them in his name for the duration of his time in office, in the following amounts:
  - for shares originating from exercised stock options, a quantity of shares corresponding to 50% of the net gain on acquisition, net of tax and statutory deductions and transaction fees, realised at the time of exercise of the options,
  - for shares allocated free of charge, a quantity of shares corresponding to 50% of the net gain after taxes, statutory deductions and costs.

These amounts will be reduced to 20% of the net gain as soon as the number of shares held by Thierry de La Tour d'Artaise reaches the equivalent of two years of remuneration (basic + target bonus).

As a reminder, hedging instruments are prohibited and, to the knowledge of the company, no such instrument has been put in place.

- Shares originating from the exercise of stock options and free shares allocated to other members of the Group Executive Committee are subject to an obligation to hold them in their name for the duration of their time in office, in the following amounts:
  - for shares originating from exercised stock options, a quantity of shares corresponding to 20% of the net gain on acquisition, net of tax and statutory deductions and transaction fees, realised at the time of exercise of the options,
  - for shares allocated free of charge, a quantity of shares corresponding to 20% of the net gain after taxes, statutory deductions and costs,
  - this option to hold the shares will continue to apply for as long as the number of shares held has not reached the equivalent of one year's remuneration (basic + target bonus).

History of stock option allocation for share subscription or purchase

At 31 December 2013	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Date of AGM	06/05/2004	11/05/2006	11/05/2006	13/05/2008	13/05/2009	12/05/2010	10/05/2012
Number of stock options authorised by the AGM	1,529,454	1,529,355	1,529,355	1,017,761	598,945	649,373	415,000
Duration of authorisation	3 years	3 years	3 years	3 years	14 months	14 months	14 months
Date of Board of Directors' Meeting	08/04/2005	16/06/2006	20/04/2007	13/05/2008	12/06/2009	18/06/2010	15/06/2012
Number of stock options allocated [(a)]	554,700	589,798	579,150	1,005,900	371,300	412,592	408,925
of which to Group Management Board	318,600	357,000	346,350	261,600	254,250	259,442	175,500
of which to corporate officers [(a)]	105,000	105,012	105,000	105,000	71,250	59,942	54,000
of which to top employee recipients [(a)]	222,000	234,000	234,000	104,400	72,900	57,600	49,400
Number of initial recipients	110	111	109	395	111	144	186
Stock option exercise start date	08/04/2009	16/06/2010	20/04/2011	13/05/2012	12/06/2013	18/06/2014	15/06/2016
Expiry date	08/04/2013	16/06/2014	20/04/2015	13/05/2016	12/06/2017	18/06/2018	15/06/2020
SUBSCRIPTION OR PURCHASE PRICE *(in €)* [(a)]	**28.00**	**29.33**	**44.00**	**38.35**	**28.05**	**53.86**	**54.12**
Average of last 20 prices prior to Board Meeting *(in €)* [(a)]	28.20	29.01	43.73	38.35	28.05	53.85	54.11
Number of stock options exercised [(a)]	531,000	546,926	358,889	375,500	156,565	0	0
Number of stock options cancelled [(a)]	23,700	14,707	8,100	47,400	15,266	10,288	1,500
BALANCE OF STOCK OPTIONS REMAINING TO BE EXERCISED 31/12/2013	**0**	**28,165**	**212,161**	**583,000**	**199,469**	**402,304**	**407,425**

(a) *Takes into account the allocation of free shares in March 2004 (one for ten) and the three-way split on 16 June 2008.*

Performance shares allocated to staff

At 31 December 2013

Date of AGM	10/05/2012	14/05/2013
Number of shares authorised by the AGM	64,937	240,811
Duration of authorisation	14 months	14 months
Date of Board of Directors' Meeting	15/06/2012	23/07/2013
Number of shares allocated:	63,938	233,475
of which to Group Management Board	14,618	64,500
of which to corporate officers	4,500	18,000
of which to top employee recipients	12,338	24,625
Number of initial recipients:	186	357
of which Group Management Board	14	15
of which top employee recipients	26	26
Allocation date	15/06/2012	23/07/2013
Vesting date	15/06/2014	23/07/2016
Expiry of lock-up period	15/06/2016	23/07/2018
Number of shares cancelled	374	0
Number of shares granted	0	0
BALANCE OF SHARES REMAINING TO BE GRANTED	**63,564**	**233,475**

Stock options allocated in 2013

Ten highest allocations of stock options to non-executive officers

Total number of stock options allocated	Weighted average price	Plan in question
NOT APPLICABLE	NA	NA

Stock options exercised in 2013

Ten highest stock options exercised by non-executive officers

Date of the plan	18/06/2004	08/04/2005	16/06/2006	20/04/2007	13/05/2008	16/06/2009	18/06/2010	15/06/2012
Type of stock options	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase	Purchase
Price of option	€ 31.67	€28	€29.33	€44.00	€38.35	€28.05	€53.86	€54.12
Number of stock options exercised	-	-	12,002	69,000	79,000	56,835	-	-

7.5. STOCK MARKET AND DIVIDEND INFORMATION

Stock market

The company's shares are listed on the Paris Euronext Market, compartment A, under the code ISIN FR0000121709. They are included in the Euronext 3722 Durable Household Products index.

Stock market transactions over the last 18 months on NYSE Euronext

	Highest *(in €)*	Lowest *(in €)*	Number of shares exchanged	Capital exchanged *(in € thousands)*
			Daily averages	
2012	**67.85**	**46.72**	**90,601**	**5,171**
8	58.40	53.24	37,643	2,121
9	57.50	53.30	49,411	2,753
10	55.41	48.48	78,506	4,049
11	53.90	49.40	53,419	2,755
12	58.26	52.66	66,175	3,698
2013	**69.50**	**51.50**	**75,245**	**4,573**
1	61.99	55.88	100,758	6,007
2	63.10	56.81	86,984	5,204
3	58.87	53.50	71,488	4,087
4	56.10	51.50	78,859	4,227
5	60.78	54.64	66,559	3,871
6	62.50	59.16	128,497	7,795
7	63.00	58.48	80,916	4,940
8	64.25	58.64	49,938	3,097
9	66.19	58.86	55,333	3,453
10	67.16	63.21	57,312	3,752
11	69.50	65.02	39,019	2,631
12	68.90	63.21	92,587	6,118
2014				
1	66.08	57.04	99,943	6,059

Dividends – Dividend supplement

It is the Group's policy to ensure that its shareholders are given a fair return on the capital they invest in the Group. The Board of Directors aims to ensure regular and continuous growth in dividend payments.

A 10% dividend supplement, rounded down to the nearest even number of euro cents, will be paid in 2014 to long-term shareholders in respect of shares held by the same shareholder in the nominal register since at least 31 December 2011 and still held on the ex-dividend date, 19 May 2013. This dividend supplement is limited to a number of shares which may not exceed 0.5% of share capital for any single shareholder.

The term of dividend limitation is five years, as from the payment date. After this time, unclaimed dividends are paid over to the State.

Years	Number of shares remunerated	Ordinary dividend per action *(in €)*
2008		
Ordinary dividend	46,370,641	0.94
Supplementary dividend	19,305,528	0.094
2009		
Ordinary dividend	47,377,592	1.04
Supplementary dividend	18,885,247	0.104
2010		
Ordinary dividend	48,059,402	1.17
Supplementary dividend	18,634,446	0.117
2011		
Ordinary dividend	47,631,135	1.25
Supplementary dividend	18,714,482	0.125
2012		
Ordinary dividend	48,228,830	1.32
Supplementary dividend	18,759,948	0.132
2013		
Ordinary dividend	48,756,702	1.39
Supplementary dividend	19,019,786	0.139

Based on the 2013 results, a net dividend of €1.39 per share will be proposed at the Annual General Meeting of 15 May 2014.

The ex dividend date will be 19 May and the dividend will be paid on 22 May 2014.

8

GENERAL MEETING

8.1. BOARD OF DIRECTORS' REPORT ON RESOLUTIONS PROPOSED AT THE GENERAL MEETING TO BE HELD ON 15 MAY 2014

Trading in the company's shares

At 31 December 2013, the company held 1,412,347 of its own shares with a par value of €1, acquired at a total cost of €74,640,154. These shares represented 2.82% of the company's issued capital at that date.

In 2013, the company bought 54,075 own shares under its buyback programme at an average price of €55.65. In accordance with Article 6.3 (b) of European Commission Regulation no. 2273/2003, of 22 December 2003, the company signed a contract with Natixis Corporate Broking on 22 January 2014 to carry out the buyback programme which ended on 14 May 2014.

It sold 702,573 shares, following the exercise of stock options, at an average price of €35.49. the company also allocated 50,519 performance shares.

It has a liquidity contract with Natixis Corporate Banking, with effect from 2 September 2013. The contract complies with the code of ethics issued by the French association of financial markets, which was approved by the French securities regulator (Autorité des Marchés Financiers) on 8 March 2011.

During 2013, 813,739 SEB S.A. shares were purchased and 802,996 shares were sold under this liquidity contract. The transaction costs amounted to €42,495.75.

Shareholders will be asked to authorise the company to trade in its own shares up to the limits allowed by law in order to:

- maintain a liquid market for the company's shares through an investment service provider acting on a fully independent basis;
- purchase shares for allocation to eligible employees and officers of the company;
- purchase shares for cancellation, in order to increase return on equity and earnings per share or to offset the dilutive impact of any capital increases on existing shareholders' interests;
- purchase shares for delivery or exchange in connection with any future external growth transactions;
- purchase shares for allocation on exercise of rights attached to securities that are convertible, exercisable, redeemable or otherwise exchangeable for Company shares.

The purchase price per share would be capped at €100, and the amount that could be invested in the buyback programme would therefore not exceed €501,690,490.

Dividends

We recommend raising the dividend to €1.39 per share, representing a 5.3% increase compared with the dividend paid in 2013.

For the nineteenth year running, shareholders will be entitled to a supplementary dividend on all shares registered in their name prior to 31 December 2011 and still held in their portfolio on the ex-dividend date (19 May 2014). These shares represent 53.14% of the outstanding total.

No single shareholder will be entitled to the supplementary dividend on any shares in excess of 0.5% of the company's issued capital.

The dividend will be paid as from 22 May 2014.

Board of Directors

The terms of appointment of Tristan Boiteux, Norbert Dentressangle and Jean-Noël Labroue and the company FÉDÉRACTIVE expire at this meeting. We propose that you renew the appointments of Tristan Boiteux, Jean-Noël Labroue and FÉDÉRACTIVE for terms of four years.

Tristan Boiteux is 51. Having previously worked as a commercial engineer, he has been head of products at Gemalto since November 2000. He is also a member of the Advisory Board of FÉDÉRACTIVE and Member of the Management Committee of the Mireille and Pierre Landrieu Foundation.

Jean-Noël Labroue, 66, is an engineer by training, and holds a Master of Science degree from Northwestern University Chicago. Has spent practically his entire career with the Darty group, successively holding the positions of Chairman of the Board of the Darty group, Managing Director of Kingfisher Electricals UK and Managing Director of Kesa PLC until 2009.

FÉDÉRACTIVE is a controlling holding company which principally represents the equity interests of the founding family.

It is represented by its Chairman, Pascal Girardot, 58 years old, a member of the French Institute of Actuaries. After fifteen years in financial markets and financial engineering with the Caisse des Dépôts et Consignations, as a member of the Markets Directorate, and then with CPR as Risk Manager with responsibility for its New York operations, since 1997 he has been Founder-Chairman of CERTUAL, a company specialising in financial engineering.

Pascal Girardot is also a Board member of Gaggione S.A., Babylone S.A., NewCore S.A. and Tugak S.A.S.

To replace Norbert Dentressangle, the Board of Directors, at the recommendation of the Nominations and Remuneration Committee, proposes the appointment of Bruno Bich.

Moreover, as Philippe Lenain resigned at the end of the Board Meeting of 25 February 2014, the Board of Directors co-opted the same day, at the recommendation of the Nominations and Remuneration Committee, the SICAV Fonds Stratégique de Participations (FSP) as a Board member for the remaining term of his appointment until the General Meeting of 2016. FSP is represented by Catherine Pourre. We ask you to ratify this cooption.

Finally, following the restructuring FFP's SEB S.A. shares were transferred to FFP Invest in December 2011. As a result FFP Invest was coopted to replace FFP at the Board of Directors meeting held 23 July 2013, for its remaining term of office, ending at the general meeting of 2017. This involves no change to the Board membership as Christian Peugeot who previously represented FFP will continue to represent FFP Invest. We ask you to ratify this cooption.

Directors' fees

You are reminded that the overall total of attendance fees was set at €450,000 in 2011. It is not proposed to change this.

Recommendation on remuneration due or allocated to the company's Chief Executive Officer in respect of 2013

In accordance with the recommendations of the AFEP-MEDEF Code, as updated in June 2013 (Article 24.3), to which the company refers for the purposes of Article L. 225-37 of the French Commercial Code, the following items of remuneration due or allocated to the company's Chief Executive Officer in respect of the past year are submitted to a vote of the shareholders:

- fixed component;
- annual variable component and, if applicable, multiyear variable component, along with the targets on which they are based;
- any exceptional remuneration;
- stock options, performance shares and any other long-term remuneration;
- arrival or termination benefits;
- complementary pension scheme;
- benefits in kind.

The ninth resolution invites you to vote on the remuneration items due or allocated to Thierry de La Tour d'Artaise, CEO, in respect of 2013. These are described in Chapter 2 of this Registration Document, pages 40 to 42: SAY ON PAY - Consultation with shareholders on the remuneration of executive officers.

Performance shares

In order to provide an on-going incentive to key Group employees by offering them an opportunity to share in the Group's development and results, shareholders will also be asked to authorise the Board to make performance share grants representing up to 0.3415% of the company's capital or 171,325 shares, comprising existing shares bought back for this purpose by the company. The grants would be made to all or some employees of the company and its subsidiaries, or to certain categories of those employees and/or to the senior executives referred to in Article L. 225-197-1 II of the French Commercial Code. The performance shares will vest only if certain performance targets for revenue and operating result from activity are met.

The number of shares granted to the Executive Director will be capped at 18,000, or 0.0359% of the company's capital. Provided that these targets have been met, the shares will vest to the grantee after a vesting period of three years, which will be followed by a mandatory lock-up period of at least two years.

For grantees not resident in France, in accordance with the law the Board will ask for an authorisation to set a minimum vesting period of between two and four years and to waive the lock-up period if the vesting period is set at five years.

Shareholders will be asked to give the Board full powers to set the terms and conditions of the performance share grants, including drawing up the list of grantees.

Financial authorisations

At the Annual General Meeting, we will ask shareholders to give the Board the necessary powers to issue shares and share equivalents, in order to enable us to raise financing to pursue the Group's growth as and when required, based on opportunities arising in the financial markets.

The aggregate par value of shares issued under the authorisation would be capped at €5 million for issues with pre-emptive subscription rights.

In addition, to allow us to rapidly take up any opportunities that may arise, we are also seeking an authorisation to issue share equivalents without pre-emptive subscription rights. The aggregate par value of shares issued on conversion, exchange, redemption or exercise of these share equivalents would also be capped at €5 million. At the Board's discretion, shareholders could be given a priority right to subscribe each issue prorata to their existing shareholdings, for a period and on terms to be decided by the Board.

The aggregate nominal amount of any debt securities issued pursuant to the authorisation would be capped at €150 million.

If and when the authorisations are used, the Board of Directors will prepare an additional report describing the final terms of the issue, including the basis for setting the issue price, the impact of the issue on the situation of existing shareholders and the estimated impact on the share price, as required by law.

In a separate resolution, we are also seeking an authorisation to increase the company's capital by a maximum aggregate amount of €10 million to be paid up by capitalising retained earnings, profit or additional paid-in capital.

Lastly, we are recommending that the maximum aggregate par value of shares to be issued pursuant to the twelfth and thirteenth resolutions be set at €10 million.

All of these authorisations are being sought for a period of 14 months.

8.2. STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS

SHAREHOLDER'S MEETING HELD TO APPROVE THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the shareholders,

In accordance with our appointment as Statutory auditors by your Company, we hereby report on regulated agreements and commitments with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments, already approved by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These guidelines require that we agree the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

We report that we have not been notified of any agreement or commitment authorised during the past year that requires the approval of the Shareholders' Meeting under Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the Shareholders' Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we have been advised that the following agreements and commitments already approved in previous years by the Shareholders' Meeting have had continuing effect during the year.

With the company Zhejiang Supor Co Ltd

Nature and purpose: "Master Joint Research and Development Agreement" aimed at conducting joint research and development projects on products and technologies of interest to both SEB S.A. and Zhejiang Supor Co Ltd, so as to pool the experience and know-how of both parties with respect to cookware and electrical cooking appliances.

Terms and conditions: The "Master Joint Research and Development Agreement" covers reciprocal exclusivities in relation with projects jointly developed. Industrial property rights that may be registered will be jointly managed and registered by Zhejiang Supor Co Ltd and SEB S.A. in their respective territories. For its manufacturing needs, SEB S.A. will nevertheless be granted a free and permanent license for rights registered in Zhejiang Supor Co Ltd territories.

This agreement was authorised by the Board of Directors on 13 April 2012 and concerns Mr Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of your company and member of the Board of Directors of Zhejiang Supor Co Ltd.

In 2013, the cooperation agreement resulted only in the sharing of employees and resources.

With Mr Thierry de La Tour d'Artaise

1. *Nature*: Termination benefits and maintenance of stock options stipulated in the employment contract of Mr Thierry de La Tour d'Artaise, Chairman of SEB S.A.

   Terms and conditions:

   • In the event the employment contract is terminated at the employer's initiative, except on grounds of serious misconduct or gross negligence, or due to forced departure as a result of a change in the control of Groupe SEB, his overall termination benefits shall be equivalent to two years' compensation, payable subject to the performance criteria described in the agreement below.

   • In the event Mr Thierry de La Tour d'Artaise's employment contract is terminated, except for serious misconduct or gross negligence, he will be entitled to all the share purchase or subscription options granted to him under the same exercise terms and conditions that would have applied had he remained in office. This provision shall also apply in the event Mr Thierry de La Tour d'Artaise's employment contract is terminated pursuant to a decision from the Group, were such decision to arise from a change in the control of the Group. However, he shall forfeit the options that would have been granted to him over the 18 months prior to the termination of his term of office as corporate officer should he resign at his own initiative.

2. *Nature*: Determination of the performance criteria governing the payment of termination benefits to the Chairman, as stipulated in his employment contract.

   Terms and conditions: The Chairman's termination benefits, equivalent to two years' earned compensation plus bonuses, are adjusted for the percentage of objectives achieved over the four previous year-ends:

   • if the average percentage achieved is below 50%, no termination benefits shall be paid;

   • if the average percentage achieved is between 50% and 100%, termination benefits shall range from 75% to 100% of the base used for calculation, determined on a straight-line basis;

   • if the average percentage achieved is higher than 100%, termination benefits shall equal 100% of the base used for calculation.

The Board of Directors retains the right to reduce such termination benefits, by half at most, if the previous year-end presents a net loss, without such benefits falling below the fixed compensation plus bonuses of the previous year-end, should application of the performance criteria based on the achievement of objectives entitle the payment of termination benefits.

3. *Nature and purpose*: Individual life insurance plan for Mr Thierry de La Tour d'Artaise, Chairman of SEB S.A.

   Terms and conditions: In addition to senior management's Group death, disability and related benefit insurance plan, Mr Thierry de La Tour d'Artaise is the beneficiary of an individual life insurance policy with a capital totalling €3,633,671. The expense recorded for the year ended 31 December 2013 totals €48,741.

4. *Nature and purpose*: Supplementary and top-up retirement plan.

   Terms and conditions: As with all other members of the Executive and Management Committees, Mr Thierry de La Tour d'Artaise is entitled to a supplementary and top-up retirement plan guaranteeing annuities equivalent to a 41% maximum compensation replacement rate, including the benefits of statutory retirement plans. The reference salary, which is used as the basis for calculating the retirement benefits, is limited to 36 times the French Social Security ceiling prevailing at the date of calculation. Payment is subject to the following conditions:

   • The executive officer must be at least 60 years of age, having definitively stopped working and having settled the basic retirement entitlements of the supplementary and mandatory AGIRC and ARCCO plans.

   • The executive officer shall only receive the guaranteed rate upon leaving the Group to claim his retirement benefits. However, he shall be entitled to benefits in the event his employment contract is terminated after he is 55, if he subsequently ceases to exercise a professional activity.

   • The executive officer must have sat on the Executive or the Management Committee for eight years. The maximum duration of the vesting period is 20 years.

The supplementary and top-up plan expenses relating to Mr Thierry de La Tour d'Artaise and recorded in the financial statements of SEB S.A. for the year ended 31 December 2013 total €558,109.

Lyon and Villeurbanne, 10 March 2014

The Statutory auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Nicolas Brunetaud	Gérard Badin

8.3. PROPOSED RESOLUTIONS

Proposed resolutions submitted to the Annual General Meeting of 15 May 2014

Ordinary resolutions

APPROVAL OF THE 2013 COMPANY FINANCIAL STATEMENTS

Purpose

In the first resolution, shareholders are invited to approve the 2011 company financial statements, which show net profit of €153,091,519.76.

FIRST RESOLUTION: APPROVAL OF THE COMPANY FINANCIAL STATEMENTS

The Annual General Meeting, having considered the reports of the Board of Directors, the Chairman and the Auditors on the company's operations and results for the year ended 31 December 2013, approves the annual financial statements as presented, which show net profit of €153,091,519.76.

APPROPRIATION OF PROFIT

Purpose

The second resolution concerns the appropriation of profit for the year and the distribution of a dividend in respect of 2013.

SECOND RESOLUTION: APPROPRIATION OF PROFIT

The Annual General Meeting resolves to appropriate net profit for the year as follows:

Net profit	153,091,519.76
Retained earnings brought forward from prior year	601,357,579.51
Dividends on treasury shares credited to retained earnings	2,443,084.41
Profit available for distribution	756,892,183.68
Ordinary dividend	69,734,978.11
Supplementary dividend	3,519,468.08
Retained earnings	687,149,570.92

The dividend per share amounts to €1.39.

The ex-dividend date will be 19 May 2014 and the dividend will be paid as from 22 May 2014.

As provided for in Article 48 of the bylaws, a supplementary dividend of €0.139 per share, corresponding to 10% of the ordinary dividend, will be paid on shares registered in the name of the same holder throughout the period between 31 December 2011 and the ex-dividend date (19 May 2014).

However, no single shareholder will be entitled to the supplementary dividend on any shares in excess of 0.5% of the company's capital.

8

Dividends for the last three years were as follows:

	2012		2011		2010	
(in €)	Ordinary dividend	Supplementary dividend	Ordinary dividend	Supplementary dividend	Ordinary dividend	Supplementary dividend
Amount paid	1.32	0.132	1.25	0.125	1.17	0.117

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

Purpose

In the third resolution, shareholders are invited to approve the 2013 Consolidated Financial Statements, which show net profit of €199,769,000.

THIRD RESOLUTION: APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Annual General Meeting, having considered the reports of the Board of Directors and the Auditors, approves the Consolidated Financial Statements for the year ended 31 December 2013, which show net profit of €199,769,000.

RE-ELECTION, APPOINTMENT AND COOPTION OF FIVE MEMBERS OF THE BOARD OF DIRECTORS

Purpose

The fourth, fifth, sixth, seventh, eighth and ninth resolutions relate to the re-appointment, for four years, of Tristan Boiteux, Jean-Noël Labroue and FÉDÉRACTIVE, the appointment for four years of Bruno Bich to replace Norbert Dentressangle and the ratification of the co-opted appointment of the companies FSP and FFP Invest.

FOURTH RESOLUTION: RENEWAL OF THE APPOINTMENT OF BOARD MEMBER TRISTAN BOITEUX FOR FOUR YEARS

The Annual General Meeting re-elects Tristan Boiteux as director for a period of four years expiring at the close of the Annual General Meeting to be called to approve the 2017 financial statements.

FIFTH RESOLUTION: RENEWAL OF THE APPOINTMENT AS BOARD MEMBER OF JEAN-NOËL LABROUE FOR FOUR YEARS

The Annual General Meeting re-elects Jean-Noël Labroue as director for a period of four years expiring at the close of the Annual General Meeting to be called to approve the 2017 financial statements.

SIXTH RESOLUTION: RENEWAL OF THE APPOINTMENT AS BOARD MEMBER OF FÉDÉRACTIVE FOR FOUR YEARS

The Annual General Meeting re-elects the company FÉDÉRACTIVE as director for a period of four years expiring at the close of the Annual General Meeting to be called to approve the 2017 financial statements.

SEVENTH RESOLUTION: APPOINTMENT AS BOARD MEMBER OF BRUNO BICH FOR FOUR YEARS

The Annual General Meeting appoints Bruno Bich as director for a term of four years expiring at the close of the Annual General Meeting to be called to approve the 2017 financial statements.

EIGHTH RESOLUTION: RATIFICATION OF THE DECISION TO CO-OPT THE SIVAV *FONDS STRATÉGIQUE DE PARTICIPATIONS* (FSP) AS BOARD MEMBER

The Annual General Meeting ratifies the cooption as director of the SICAV *Fonds Stratégique de Participations* (FSP), to replace Philippe Lenain, by decision of the Board of Directors' Meeting of 25 February 2014, for the remainder of its predecessor's term of office until the close of the Annual General Meeting to be called to approve the 2015 financial statements.

NINTH RESOLUTION: RATIFICATION OF THE COOPTION OF FFP INVEST AS BOARD MEMBER

The Shareholders' Meeting ratifies the cooption of FFP Invest as director to replace FFP, by decision of the Board of Directors' Meeting of 23 July 2013, for the remainder of its predecessor's term of office until the close of the Shareholders' Meeting to be called to approve the 2016 financial statements.

VOTE ON REMUNERATION ITEMS DUE OR ALLOCATED TO THIERRY DE LA TOUR D'ARTAISE IN RESPECT OF 2013

Purpose

The tenth resolution proposes a consultative vote to shareholders on all items making up the remuneration of the Chief Executive Officer, in accordance with the recommendations of the AFEP-MEDEF Code.

TENTH RESOLUTION: CONSULTATIVE VOTE ON THE CEO'S REMUNERATION ITEMS

The Annual General Meeting, voting in accordance with the quorum and majority voting rules applicable to Ordinary Meetings, takes a positive view of the remuneration items due or allocated to Thierry de La Tour d'Artaise in respect of 2013, as set out in the 2013 Registration Document, Chapter 2 "Governance" pages 40 to 42 "SAY ON PAY - Consultation with shareholders on the remuneration of executive officers".

AUTHORISATION FOR THE COMPANY TO TRADE IN ITS OWN SHARES

Purpose

The eleventh resolution would authorise the company to buy back shares representing up to 10% of the capital.

In 2013, under its share buyback programme, the company bought 54,075 of its own shares at an average price of €55.65 and sold 702,573 shares on exercise of stock options at an average price of €35,49. In addition, a total of 813,739 shares were purchased at an average price of €60 and 802,996 shares sold at an average price of €59.87 under the liquidity contract.

At 31 December 2013, the company had 1,412,347 treasury shares, i.e. 2.82% of its share capital, of which 1,381,886 under the buyback agreement and 30,461 under the liquidity agreement.

In accordance with the law, these shares have been stripped of their voting rights.

ELEVENTH RESOLUTION: AUTHORISATION FOR THE COMPANY TO TRADE IN ITS OWN SHARES

The Annual General Meeting, having considered the Board of Directors' report, resolves:

- to terminate the share buyback programme authorised at the Annual General Meeting of 14 May 2013;
- to adopt the programme described below and accordingly:
  - to authorise the Board of Directors, or any representative of the Board empowered to act on the Board's behalf, in accordance with Articles L. 225-209 et seq. of the French Commercial Code, to buy back shares of the company representing up to 10% of the share capital, subject to the limits set down by law;
- that the shares may be bought back for the following purposes:
  - to maintain a liquid market for the company's shares through an independent investment service provider under a liquidity contract that complies with the AFEI code of ethics recognised by the Autorité des Marchés Financiers,
  - to purchase shares for allocation to eligible employees and officers of the company or the Group in the form of performance shares governed by Articles L. 225-197-1 et seq. of the Commercial Code, or in payment of statutory employee profit-shares or in connection with an employee stock ownership or stock saving plan,
  - to purchase shares for cancellation, in order to increase return on equity and earnings per share and/or to offset the dilutive impact of any capital increases on existing shareholders' interests, provided that such cancellation is authorised by the Extraordinary Shareholders' Meeting,
  - to purchase shares, representing up to 5% of the capital, for delivery or exchange in connection with any future external growth transactions,
  - to purchase shares for allocation on exercise of rights attached to securities that are convertible, exchangeable, redeemable or otherwise exercisable for Company shares, in accordance with the applicable securities regulations;
- that shares may not be bought back under this authorisation at a price of more than €100 per share, excluding trading fees;
- that the Board of Directors may adjust the above price, in the case of any change in the shares' par value, any bonus share issue paid up by capitalising reserves, any stock-split or reverse stock-split, any return of capital or capital reduction, any distribution of reserves or assets, or any other corporate action, to take into account the effect thereof on the share price. In this case, the price will be adjusted based on the ratio between the number of shares outstanding before and after the corporate action;
- that the total amount invested in the share buyback programme may not exceed €652,197,637;
- that the shares may be bought back by any appropriate method and accordingly that all or part of the programme may be implemented on the market or through block purchases – and, if appropriate, through over-the-counter sales – or by means of public buyback or exchange offers, or through the use of options and derivative instruments, other than written puts. The buybacks may be carried out at any time at the Board's discretion, including while a public tender offer is in progress, subject to compliance with the applicable securities regulations. The shares purchased under this authorisation may be kept, sold or transferred by any method, including through block sales, at any time including while a public tender offer is in progress;
- to give full powers to the Board of Directors, including the power of delegation, to:
  - carry out the transactions and set the related terms and conditions,
  - place any and all buy and sell orders, on or off-market,
  - adjust the maximum purchase price of the shares to take into account the effect on the share price of any of the corporate actions referred to above,
  - enter into any and all agreements for the keeping of a register of share purchases and sales or for any other purpose,
  - fulfil any and all reporting obligations with the Autorité des Marchés Financiers and any other organisations,
  - carry out any and all formalities;
- that this authorisation is given for a period expiring at the Annual General Meeting to be called to approve the financial statements for the year ending 31 December 2013 or fourteen (14) months, whichever is shorter.

Extraordinary resolutions

AUTHORISATION TO CANCEL SHARES

Purpose

The twelfth resolution would authorise the Board of Directors to cancel shares held in treasury in an amount not exceeding 10% of the capital within any 24-month period.

TWELFTH RESOLUTION: AUTHORISATION TO CANCEL SHARES

The Extraordinary General Meeting, having considered the report of the Board of Directors and the Auditors' special report:

- authorises the Board of Directors to cancel, through one or several transactions at its discretion, all or some of the shares currently held or that may be held in the future by the company following share buybacks carried out pursuant to Article L. 225-209 of the French Commercial Code, provided that the number of shares cancelled in any 24-month period may not exceed 10% of the total shares outstanding. The difference between the purchase price of the cancelled shares and their par value will be deducted from additional paid-in capital and retained earnings, with an amount corresponding to 10% of the capital reduction being deducted from the legal reserve;
- authorises the Board of Directors to place on record the capital reduction(s), amend the bylaws to reflect the new capital and carry out any and all necessary formalities;
- authorises the Board of Directors to delegate all necessary powers to permit the implementation of its decisions, subject to compliance with the laws and regulations in force when this authorisation is used;
- resolves that this authorisation may be used within a period of fourteen (14) months from the date of this meeting;
- resolves that this authorisation cancels and replaces the authorisation to the same effect given at the General Meeting of 10 May 2012.

AUTHORISATION TO MAKE PERFORMANCE SHARE GRANTS

Purpose

The thirteenth resolution would authorise the Board to award performance shares to employees and Executive Directors, subject to the following conditions:

- *the total number of shares granted may not exceed 171,325 or 0.3415% of the company's share capital;*
- *the number of the shares granted to the Executive Director may not exceed 18,000 or 0.0359% of the capital;*
- *the number of the shares granted to the Executive Director may not exceed 18,000 or 0.359% of the capital; provided that these targets have been met, the shares will vest to the grantee after a minimum vesting period of three years, which will be followed by a lock-up period of at least two years;*
- *for grantees not resident in France, the Board would be authorised to set a minimum vesting period of between two and five years and to waive the lock-up period if the vesting period is set at four years.*

THIRTEENTH RESOLUTION: AUTHORISATION TO MAKE PERFORMANCE SHARE GRANTS

- The Extraordinary General Meeting, having considered the report of the Board of Directors and the Auditors' special report:
  - authorises the Board of Directors, in accordance with Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to award performance shares on one or more occasions, to employees of the company or certain categories of employee and/or to the senior executives referred to in Article L. 225-197-1 II of the Commercial Code, and to employees and senior executives of companies or economic interest groupings related to the company within the meaning of Article L. 225-197-2 of the Commercial Code;
  - decides that the total number of shares that may be granted shall not exceed 171,325 or 0.3415% of the company's share capital on the grant date, with the number of shares granted to the Executive Director not exceeding 18,000 or 0.359% of the share capital;
- The Extraordinary General Meeting authorises the Board of Directors to make the stock grants, within the limits set out in the preceding paragraph, using shares bought back by the company in accordance with Articles L. 225-208 and L. 225-209 of the Commercial Code.
- The Extraordinary General Meeting resolves:

A) in respect of performance shares awarded to grantees resident in France:

- to set a vesting period of three years with effect from the date of grant by the Board of Directors during which the rights shall not be transferable pursuant to Article L. 225-197-3 of the French Commercial Code. At the end of the vesting period, the rights shall vest to the grantee, provided that the performance targets for revenue and Operating Result from Activity, assessed over the three-year vesting period, have been met,

- to set a lock-up period of two years with effect from the vesting date, during which the vested shares may not be sold;

B) in respect of performance shares awarded to grantees not resident in France:

- to set a vesting period of between two and five years with effect from the date of grant by the Board of Directors during which the rights shall not be transferable pursuant to Article L. 225-197-3 of the French Commercial Code. At the end of the vesting period, the rights shall vest to the grantee, provided that the performance targets for revenue and Operating Result from Activity, assessed over the vesting period, have been met,
- if the vesting period is set at five years, to waive the lock-up period such that the shares shall be freely transferable with effect from their vesting date in accordance with Article L. 225-197-1 paragraph 7 of the Commercial Code.

However, for performance shares awarded pursuant to both paragraphs A and B above, in the event of the grantee's death, the shares shall vest immediately to the heirs should they so request no later than six months after the date of death. Furthermore, the shares shall vest immediately in the event of the grantee's second or third degree disability within the meaning of Article L. 341-4 of the Social Security Code;

- The Extraordinary General Meeting gives full powers to the Board of Directors, within the limits set out above, to:
  - draw up the list of grantees or decide the category/categories of grantees, provided that no performance shares may be awarded to employees or Executive Directors who individually hold over 3% of the capital and that the performance shares may not have the effect of raising the interest held by any employee or Executive Director to above the 3% ceiling,
  - determine the amounts and timing of the performance share awards,
  - set the criteria and any other conditions of eligibility for performance share awards, including but not limited to years of service and continued employment by the company throughout the vesting period,
  - set the vesting period and lock-up period, within the limits specified above,
  - record the shares in a registered share account opened in the name of their holder, with a lock-up clause specifying the duration of the lock-up period,
  - if any corporate actions governed by Article L. 228-99, first paragraph, of the Commercial Code are carried out during the vesting period, take any and all appropriate measures to protect and adjust the rights of recipients of stock grants, on the basis prescribed in the third paragraph of said Article.

In accordance with Articles L. 225-197-4 and L. 225-197-5 of the Commercial Code, the Board of Directors shall report to each Annual General Meeting on the transactions carried out under this authorisation.

This authorisation is given for a period of fourteen (14) months.

AUTHORISATION TO ISSUE SHARES OR SHARE EQUIVALENTS WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

Purpose

Shareholders are invited to authorise the Board of Directors to increase the share capital, in order to give Groupe SEB the financial resources to pursue its growth.

Under the fourteenth resolution, shares and share equivalents may be issued with pre-emptive subscription rights by up to €5,000,000 (excluding premiums).

Under the fifteenth resolution, shares and share equivalents may be issued without pre-emptive subscription rights by up to €5,000,000 (excluding premiums) to rapidly meet any financing needs that may arise, particularly in international markets.

FOURTEENTH RESOLUTION: AUTHORISATION TO ISSUE SHARES OR SHARE EQUIVALENTS WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS.

The Extraordinary General Meeting, having considered the report of the Board of Directors and the Auditors' special report, resolves, in accordance with Articles L. 225-129-2 and L. 228-91 of the Commercial Code:

- to give the Board of Directors the necessary powers to decide by a qualified majority of 12 of the 15 members present or represented by proxy, to issue shares and securities convertible, exchangeable, redeemable or otherwise exercisable for shares, denominated in euros or in foreign currencies, in France or on the international market, and to determine the timing and amounts of said issues;
- that the aggregate par value of the shares to be issued directly and/or on conversion, exchange, redemption or exercise of share equivalents pursuant to this authorisation may not exceed €5,000,000, not including the par value of any additional shares to be issued to protect the rights of holders of existing share equivalents pursuant to the law;

- that the aggregate nominal value of debt securities issued pursuant to this authorisation shall not exceed €150,000,000 or the equivalent of this amount in the case of issues denominated in foreign currencies;
- that shareholders will have a pre-emptive right to subscribe the shares and/or share equivalents issued under this authorisation, prorata to their existing interest in the company's capital. In addition, the Board of Directors may grant shareholders a pre-emptive right to subscribe any shares and/or share equivalents not taken up by other shareholders. If the issue is oversubscribed, such additional pre-emptive right shall also be exercisable prorata to the existing interest in the company's capital of the shareholders concerned.

  If the issue is not taken up in full by shareholders exercising their pre-emptive rights as described above, the Board of Directors may take one or other of the following courses of action, in the order of its choice:
  - limit the amount of the issue to the subscriptions received provided that at least three-quarters of the issue is taken up,
  - freely allocate the remaining shares or share equivalents,
  - offer all or some of the remaining shares or share equivalents for subscription by the public;
- that warrants to subscribe the company's shares may be offered for subscription on the above basis or allocated among holders of existing shares without consideration;
- that this authorisation will automatically entail the waiver of shareholders' pre-emptive right to subscribe (i) shares and share equivalents issued under the authorisation in favour of members of the employee stock ownership plan, and (ii) the shares to be issued on conversion, exchange, redemption or exercise of said share equivalents;
- that the amount to be received by the company for each share issued directly or indirectly under this authorisation shall not represent less than the shares' par value. In the case of shares issued on exercise of stand-alone warrants or other primary securities, the amount received by the company shall be determined after taking into account the issue price of said warrants or other primary securities;
- that the Board of Directors shall have full powers to use this authorisation and to delegate such powers to the Chairman, subject to compliance with the law. In particular, the Board of Directors or the Chairman shall have full powers to set the date and terms of the issues, as well as the form and characteristics of the securities to be issued, the issue price and terms, the amount of each issue, the cum-rights date which may be set retrospectively, the terms of settlement of the subscription price and, if appropriate, the conditions under which the securities may be bought back on the open market or the conversion, exchange, redemption or exercise rights attached to the share equivalents may be suspended, provided that said rights are not suspended for more than three months, and the method by which the rights of holders of share equivalents will be protected pursuant to the applicable laws and regulations. The Board of Directors or the Chairman shall also have full powers to write off any and all amounts against the issue premium, including the issuance costs, and to take all necessary or appropriate measures and enter into any and all agreements in connection with the placement of the issues, to place on record the resulting capital increase(s) and to amend the bylaws to reflect the new capital.

In the case of any issue of debt securities, the Board of Directors shall have full powers, including the right to delegate such powers to the Chairman, to decide whether to issue subordinated or unsubordinated debt, to set the interest rate, the life of the securities, the redemption price – which may be fixed or variable and may or may not include a call premium – the terms of early redemption depending on market conditions and the basis on which the debt securities are convertible, exchangeable, redeemable or otherwise exercisable for shares of the company;

- that this authorisation cancels and replaces all earlier authorisations to issue shares and share equivalents with pre-emptive subscription rights.

  This authorisation is given for a period of fourteen (14) months.

FIFTEENTH RESOLUTION: AUTHORISATION TO ISSUE SHARES OR SHARE EQUIVALENTS WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

The Extraordinary General Meeting, having considered the report of the Board of Directors and the Auditors' special report, resolves, in accordance with Articles L. 225-129-2, L. 225-136 and L. 228-91 of the French Commercial Code:

- to give the Board of Directors the necessary powers to decide by a qualified majority of 12 of the 15 members present or represented by proxy, to issue shares and securities convertible, exchangeable, redeemable or otherwise exercisable for shares, denominated in euros or in foreign currencies, in France or on the international market, and to determine the timing and amounts of said issues;
- that the aggregate par value of the shares to be issued directly and/or on conversion, exchange, redemption or exercise of share equivalents pursuant to this authorisation may not exceed €5,000,000, not including the par value of any additional shares to be issued to protect the rights of holders of existing share equivalents pursuant to the law;
- that the aggregate nominal value of debt securities issued pursuant to this authorisation shall not exceed €150,000,000 or the equivalent of this amount in the case of issues denominated in foreign currencies;
- that existing shareholders shall not have a pre-emptive right to subscribe the shares or share equivalents issued under this authorisation, but that the Board of Directors may grant shareholders a priority right to subscribe all or part of each issue, for a period and on terms to be decided by the Board, provided that the right is exercisable during at least three trading days. Said priority right shall not be transferable but the Board of Directors may allow shareholders to subscribe the issue and any securities not taken up by other shareholders prorata to their existing shareholdings;
- that if any issue of shares or share equivalents is not taken up in full by existing shareholders and the public, the Board of Directors may limit the amount of the issue to the value of the subscriptions received, provided that at least three-quarters of the issue is taken up;
- that this authorisation will automatically entail the waiver of shareholders' pre-emptive right to subscribe (i) shares and share equivalents issued under the authorisation in favour of members of the employee stock ownership plan, and (ii) the shares to be issued on conversion, exchange, redemption or exercise of said share equivalents;

- that the amount to be received by the company for each share issued indirectly under this authorisation shall not represent less than the minimum amount prescribed by law. In the case of shares issued on exercise of stand-alone warrants or other primary securities, said amount shall be determined after taking into account the issue price of said warrants or other primary securities;
- that the Board of Directors shall have full powers to use this authorisation and to delegate such powers to the Chairman, subject to compliance with the law. In particular, the Board of Directors or the Chairman shall have full powers to set the date and terms of the issues, as well as the form and characteristics of the securities to be issued, the issue price and terms, the amount of each issue, the cum-rights date which may be set retrospectively, the terms of settlement of the subscription price and, if appropriate, the conditions under which the securities may be bought back on the open market or the conversion, exchange, redemption or exercise rights attached to the share equivalents may be suspended, provided that said rights are not suspended for more than three months, and the method by which the rights of holders of share equivalents will be protected pursuant to the applicable laws and regulations.

  The Board of Directors or the Chairman shall also have full powers to charge any and all amounts against the issue premium, including the issuance costs, and to take all necessary or appropriate measures and enter into any and all agreements in connection with the placement of the issues, to record the resulting capital increase(s) and to amend the bylaws to reflect the new capital.

  The Board of Directors shall have full powers, including the right to delegate such powers to the Chairman, to decide whether to issue subordinated or unsubordinated debt securities, to set the interest rate, the life of the securities, the redemption price – which may be fixed or variable and may or may not include a call premium – the terms of early redemption depending on market conditions and the basis on which the debt securities are convertible, exchangeable, redeemable or otherwise exercisable for shares of the company;
- that this authorisation cancels and replaces all earlier authorisations to the same effect.

This authorisation is given for a period of fourteen (14) months.

AUTHORISATION TO INCREASE CAPITAL BY CAPITALISING RETAINED EARNINGS, PROFIT, OR ADDITIONAL PAID-IN CAPITAL

Purpose

The sixteenth resolution would authorise the Board of Directors to issue shares to be paid up by capitalising retained earnings, profit or additional paid-in capital, mainly with a view to issuing bonus shares to shareholders.

SIXTEENTH RESOLUTION: AUTHORISATION TO INCREASE CAPITAL BY CAPITALISING RETAINED EARNINGS, PROFIT, OR ADDITIONAL PAID-IN CAPITAL

The Extraordinary General Meeting, voting in accordance with the quorum and majority voting rules applicable to Ordinary Meetings, having considered the report of the Board of Directors, gives the Board the necessary powers to increase the capital on one or several occasions by a maximum aggregate amount of €10,000,000 to be paid up by successively or simultaneously capitalising all or part of the company's retained earnings, net profit or additional paid-in capital, and to issue bonus shares and/or raise the par value of existing shares.

The meeting resolves that the Board of Directors shall have discretionary powers to decide that fractional shares will be non-transferable and that the corresponding shares will be sold, with proceeds of such sale attributed to holders of rights to fractional shares no later than 30 days following the date on which the whole number of shares allocated to them are recorded in their securities account.

The meeting gives full powers to the Board of Directors, including the right to delegate such powers to the Chairman subject to compliance with the law, to determine the timing and terms of the capital increases, as well as the amounts thereof, to take the necessary action to protect the rights of existing shareholders of share equivalents, to deduct from the issue proceeds the amounts necessary to increase the legal reserve to 10% of the new capital, to take all appropriate measures to permit the execution of the operation, to carry out all actions and formalities required to effect the capital increase(s) and to amend the bylaws to reflect the new capital.

This authorisation is given for a period of fourteen (14) months.

BLANKET CEILING ON FINANCIAL AUTHORISATIONS

Purpose

The seventeenth resolution sets at €10,000,000 the maximum aggregate par value of shares to be issued pursuant solely to the fourteenth and fifteenth resolutions above.

SEVENTEENTH RESOLUTION: BLANKET CEILING ON AUTHORISATIONS

The Extraordinary General Meeting, having considered the report of the Board of Directors, resolves, pursuant to the adoption of the above resolutions, to set at €10,000,000 the maximum aggregate par value of shares to be issued directly or on conversion, exchange, redemption or exercise of share equivalents pursuant to the fourteenth and fifteenth authorisations above.

Said ceiling will not include the par value of any additional shares to be issued to protect the rights of existing holders of share equivalents as required by law.

Consequently, the value of each issue carried out under either of the abovementioned authorisations will be deducted from this ceiling.

POWERS TO CARRY OUT FORMALITIES

Purpose

The eighteenth resolution is a standard resolution conveying full powers to carry out any and all formalities required by law subsequent to the decisions voted by the General Meeting.

EIGHTEENTH RESOLUTION: POWERS TO CARRY OUT FORMALITIES

The General Meeting gives full powers to the bearer of an original, extract or copy of the minutes of this meeting to carry out any and all formalities required by law.

9

ADDITIONAL INFORMATION

9.1. CONSULTATION OF LEGAL DOCUMENTS

The company bylaws, reports on the General Meeting and other company documents may be consulted at the company's registered offices: Chemin du Petit-Bois, 69130 Écully, France.

Company regulatory documents may be consulted on the Groupe SEB website: www.groupeseb.com.

9.2. DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT CONTAINING THE ANNUAL REPORT

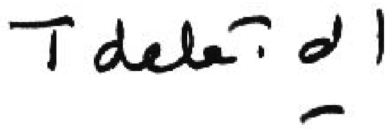
I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, consistent with the facts and contains no omission likely to affect its import.

I hereby declare that, to my knowledge, the financial statements have been drawn up in accordance with relevant accounting standards and provide a true and fair view of the assets, financial situation and performance of the company and of all companies included under the Consolidated Financial Statements. I furthermore declare that the management report referenced in the cross-reference table under section 9.4 provides a true and fair picture of changes in the business, performance and financial situation of the company and all companies included under the Consolidated Financial Statements, as well as a description of the main risks and uncertainties they face.

I obtained a statement from the Statutory auditors at the end of their engagement affirming that they have read the entire Registration Document and verified the information regarding the financial situation and the financial statements contained therein.

It should be noted that the 2012 Consolidated Financial Statements contained in the Registration Document filed on 2 April 2013 were addressed in a Statutory Auditors' report, which contains an observation (page 151).

26 March 2014



Chairman and CEO

Thierry de La Tour d'Artaise

9.3. STATUTORY AUDITORS AND AUDIT FEES

Statutory auditors

- PricewaterhouseCoopers Audit, 63, rue de Villiers
  92200 Neuilly-sur-Seine
  appointed at the Ordinary General Meeting of 13 May 2009,
  represented by Nicolas Brunetaud
  Term: Ordinary General Meeting of 2015.
- Deloitte & Associés, 185 avenue Charles-de-Gaulle
  92200 Neuilly-sur-Seine
  appointed at the Ordinary General Meeting of 13 May 2009,
  represented by Gérard Badin
  Term: Ordinary General Meeting of 2015.

Each of these Statutory auditors is a member of the Compagnie Régionale des Commissaires aux comptes de Versailles.

Substitute Statutory auditors

- For PricewaterhouseCoopers Audit:
  Pierre Coll – 63 rue de Villiers – 92200 Neuilly-sur-Seine
  appointed at the Ordinary General Meeting of 13 May 2009.
  Term: Ordinary General Meeting of 2015.
- For Deloitte & Associés:
  BEAS – 7/9 Villa Houssaye – 92200 Neuilly-sur-Seine
  appointed at the Ordinary General Meeting of 13 May 2009.
  Term: Ordinary General Meeting of 2015.

Fees paid to Statutory auditors

The breakdown of fees paid to Statutory auditors and members of their networks is as follows:

	PricewaterhouseCoopers Audit				Deloitte & Associés			
	Amount (excluding tax)		In %		Amount (excluding tax)		In %	
(in € thousands)	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Audit								
Statutory auditor, certification, review of individual and consolidated financial statements	1,477	1,452			1,731	1,670		
SEB S.A., issuer coordination and consolidation	*146*	*147*			*232*	*191*		
Fully consolidated subsidiaries	*1,331*	*1,305*			*1,499*	*1,479*		
Other procedures and services directly relating to audit assignment	60	55			28	11		
SEB S.A., issuer coordination and consolidation	*52*	*49*			*2*			
Fully consolidated subsidiaries	*8*	*6*			*26*	*11*		
SUB-TOTAL	**1,537**	**1,507**	**99%**	**96%**	**1,759**	**1,681**	**99%**	**96%**
Other services performed by the networks for fully integrated subsidiaries								
Legal, fiscal, corporate	11	51			6	51		
Information systems								
Other	4	19				17		
SUB-TOTAL	**15**	**70**	**1%**	**4%**	**6**	**68**	**1%**	**4%**
TOTAL	**1,552**	**1,577**	**100%**	**100%**	**1,765**	**1,749**	**100%**	**100%**

9.4. CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT AND MANAGEMENT REPORT

	Page numbers	Annual Financial Report	Management report
Commentary on the financial year			
Objective and exhaustive analysis of developments in the company's and Group's business, performance and financial position	83-96	X	X
Key non-financial performance indicators relevant to the company's specific business activity	51-82		X
Significant stakes acquired during the financial year in companies headquartered in France	-	-	-
Significant events that occurred between the financial year-end and the date on which the document was drawn up	-	-	-
Foreseeable developments regarding the position of the company and the Group	94	X	X
Dividends distributed over the three preceding financial years and amount of income distributed for these years	195		X
Presentation of the Group			
Description of the main risks and uncertainties faced by the company	13-19	X	X
The company's use of financial instruments: objectives and policy in relation to financial risk management	143-153	X	X
Company's exposure to price, credit, liquidity or cash flow risks	152-153	X	X
Social and environmental consequences of business (including "Seveso" facilities)	51-82		X
Research and development activities	9-10	X	X
Corporate governance			
List of all offices and positions held in any company by each of the executive officers during the financial year	22-27		X
Total compensation and benefits of any kind paid to each executive officer during the financial year	34-38		X
Commitments of any nature made by the company for the benefit of its executive officers, such as compensation, indemnities or benefits due or susceptible to become due when, or after, they assume, cease or change positions	35-36		X
Stock options granted, subscribed or purchased during the financial year by the executive officers and the ten highest-earning non-executive employees of the company, and stock options granted to all eligible employees, by category	37-39, 193		X
Conditions for the exercise and retention of stock options by executive officers	191-193		X
Conditions for the retention of free shares awarded to executive officers	191-193		X
Transactions by senior executives and associated persons involving the company's shares	43		X

	Page numbers	Annual Financial Report	Management report
Information on the company and its share capital			
Rules applicable to the appointment and replacement of members of the Board of Directors or Management Board, as well as to changes in the company's bylaws	29		X
Powers of the Board of Directors or Management Board, in particular concerning the issue or buyback of shares	190	X	X
Purchases and sales of treasury stock during the financial year	190	X	X
Adjustments for share equivalents in the event of share buybacks or financial transactions	-	-	-
Table summarising the outstanding delegations granted by the General Shareholders' Meeting to the Board of Directors or Management Board in relation to issues of share capital	190	X	X
Structure and changes to the company's share capital	185-189	X	X
Statutory limitations on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the company	184	X	X
Direct or indirect shareholdings in the company, of which the company is aware	187-188	X	X
Employee shareholding in the company's share capital on the last day of the financial year and portion of the share capital represented by the shares held by employees under the company savings scheme and by the employees and former employees under employee mutual investment funds	191-193		X
Holders of any securities conferring special control rights and a description of those rights	-		-
Control mechanisms within any employee shareholding system, where control rights are not exercised by the employees	-		-
Agreements between shareholders of which the company is aware and which may give rise to restrictions on share transfers and voting rights	185-186	X	X
Agreements entered into by the company that are amended or terminated in the event of a change in control, with the exception of those agreements whose disclosure would seriously harm its interests (except in the event of a legal obligation to disclose)	-		-
Agreements providing for indemnities payable to employees or members of the Board of Directors or Management Board if they resign or are dismissed without real or serious cause or if their employment contract is terminated as a result of a public tender offer	36		X
Injunctions or fines as a result of anti-competitive practices	-		-
Financial statements			
Changes in the presentation of the financial statements or in the valuation methods used	105	X	
Profit over the last five financial years	98	X	
Consolidated financial statements	97-162	X	
Separate financial statements	163-180	X	
Statutory auditors' reports on the separate and Consolidated Financial Statements	161-162-179-180	X	
Fees paid to the Statutory auditors	215	X	
Chairman's report	44-49		X
Statutory auditors' report on the Chairman's report	50	X	X
Declaration by the person responsible for the Annual Financial Report	43	X	

9.5. CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

Sections required under Appendix 1 of Commission regulation (EC) no. 809/2004	Pages
21 – ADDITIONAL INFORMATION	
21.1 Share capital	184
21.1.1. Amount of issued capital and number of shares	184
21.1.2. Shares not representing capital	N/A
21.1.3. Own shares	185, 190
21.1.4. Convertible securities, exchangeable securities or securities with warrants	N/A
21.1.5. Terms governing unissued capital	N/A
21.1.6. Capital under option	N/A
21.1.7. History of changes to share capital	187-188
21.2 Memorandum and bylaws	183-186
21.2.1. Corporate objects and purposes	183
21.2.2. Provisions regarding the administrative and management bodies	33
21.2.3. Classes of shares	183-184
21.2.4. Changes to shareholder rights	N/A
21.2.5. Manner in which General Meetings are called and held	183-184
21.2.6. Provisions that would have the effect of delaying or preventing a change in control	184
21.2.7. Thresholds above which shareholder ownership must be disclosed	184
21.2.8. Provisions governing changes in the capital	29
22 – MATERIAL CONTRACTS	N/A
23 – THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST	N/A
24 – DOCUMENTS ON DISPLAY	212
25 – INFORMATION ON HOLDINGS	157-160, 170

The following information is incorporated by reference in this Registration Document:

- the Registration Document for the 2012 financial year was filed with the French Markets Authority on 2 April 2013 under number D. 13-0249. The Consolidated Financial Statements appear on pages 87 to 150 and the corresponding audit report appears on pages 151 and 152 of this document;
- the Registration Document for the 2011 financial year was filed with the French Markets Authority on 3 April 2012 under number D. 12-0261. The Consolidated Financial Statements appear on pages 75 to 135 and the corresponding audit report appears on pages 136 and 137 of this document.

9.6. CROSS-REFERENCE TABLE, GRENELLE II, GRI AND GLOBAL COMPACT

Indicators	Grenelle II - Article 225	GRI 3.1	Global Compact principles	Reference: Registration Document	Reference: Corporate and Sustainable Development report	Reference: Website Sustainable development section
SOCIAL PERFORMANCE INDICATORS						
Employment						
Total employees	1.a-1	LA1		page 61	page 80	Key figures
Breakdown of employees by gender	1.a-1	LA1/LA13		page 65		
Breakdown of employees by age	1.a-1	LA13		page 62		
Breakdown of employees by geographical zone	1.a-1	LA1		page 61	page 80	
Breakdown of employees by type of work		LA1		page 65		
Breakdown of employees by employment contract type		LA1		page 63		
Hires	1.a-2	LA2		pages 61 and 62		
Redundancies	1.a-2	LA2		pages 61 and 62		
Compensation	1.a-3	LA3/LA14		page 60		Social, diversity and fairness
Change in compensation over time	1.a-3	LA3		page 60		
Work organisation						
Organisation of working hours	1.b-1			pages 63 and 66		
Absenteeism	1.b-2	LA7		page 64		
Labour relations						
Organisation of employee-management dialogue	1.c-1	LA4/LA5	# 3	page 65	page 59	Social, dialogue
Collective bargaining agreements	1.c-2	LA4/LA5		page 66	pages 59 and 81	Social, dialogue
Health and safety						
Workplace health and safety conditions	1.d-1	LA6/LA8	# 4 - 5	pages 53, 54 and 67 - 69	pages 60 and 61	Social, health/safety
Agreements signed with labour unions in relation to workplace health and safety	1.d-2	LA9		page 66	page 81	
Frequency and severity of workplace accidents	1.d-3	LA7		pages 67 and 68	page 81	
Work-related illness	1.d-3	LA7		page 68	page 61	Social, health/safety
Training						
Policies in place with regard to training	1.e-1	LA11		pages 53, 69 and 70	page 58	Social, expertise
Total number of training hours	1.e-2	LA10		page 69		
Number of employees having regular evaluation and career development interviews		LA11		page 69		Social, expertise
Equality						
Measures taken to promote gender equality	1.f-1	LA14		pages 53 and 65	pages 60 and 80	Social, diversity and fairness
Measures taken to promote employment opportunities for and integration of disabled people	1.f-2	LA13		page 64	page 59	
Anti-discrimination policy	1.f-3	LA13		pages 53 and 65	pages 58 - 60	Social, diversity and fairness
Governance						

Indicators	Grenelle II - Article 225	GRI 3.1	Global Compact principles	Reference: Registration Document	Reference: Corporate and Sustainable Development report	Reference: Website Sustainable development section
Composition of corporate governance bodies		LA13		Chapter 2	pages 4 to 7	The Group, Governance
Promotion and adherence to fundamental ILO conventions						
Respect for freedom of association and the right to collective bargaining	1.g-1	HR5/LA4/ LA5	# 3	pages 53 and 65	page 59	Social, dialogue
Elimination of discrimination in employment and occupation	1.g-2	HR4/ LA13/ LA14	# 6	page 53	pages 58 - 60	Social, diversity and fairness
Elimination of forced or compulsory labour	1.g-3	HR6/HR7	# 4 - 5	page 52	page 54	Commitments and management
Effective abolition of child labour	1.g-4	HR6		page 52	page 54	Commitments and management
Other actions taken to promote human rights	3.e					
Capital expenditures and purchasing practices						
Percentage of major suppliers and contractors verified as compliant with human rights; measures taken		HR2		pages 53, 72 and 73	pages 52 and 54	Ethics, Responsible purchasing
Total number of training hours for employees on policies and procedures regarding human rights pursuant to their job; percentage of employees trained		HR3		page 52		
Evaluation						
Percentage or number of activities for which the organisation has conducted an assessment of practices or impact with regard to human rights		HR10	# 1 and 2	page 52	page 52	Social, respect
Corrective action						
Number of human rights complaints filed, processed and resolved according to a human rights complaint management procedure		HR11	# 1 and 2	page 52		
ENVIRONMENTAL PERFORMANCE INDICATORS						
General policy toward the environment						
Company organisation to address environmental issues. Environmental evaluation or certification procedures, where applicable.	2.a-1		# 7 - 9	pages 74 and 78	pages 46, 68 and 69	Environment
Employee training and education actions taken with regard to safeguarding the environment	2.a-2			page 74	page 68	
Resources allocated to prevent environmental risks and pollution	2.a-3	EN30		page 74	pages 68 and 69	Eco-production
Provisions and guarantees for environmental risks (unless this information could be detrimental to the Company)	2.a-4	EN28/ EC2		pages 153 and 154		
Pollution and waste management						
Measures to prevent, reduce or remedy emissions into the air, water or soil that seriously affect the environment	2.b-1	EN22/ EN23/ EN24	# 7 - 9	pages 74 and 76 -78	pages 68 and 69	Eco-production
Measures to prevent, recycle and dispose of waste	2.b-2	EN27		page 77	page 69	Eco-production; Products end-of-life
Measures to prevent noise pollution and any other form of pollution stemming from operations	2.b-3	EN25		page 78		Eco-production
Total discharge into water		EN21		page 78	page 83	
Total waste produced		EN22/ EN24		page 77	page 83	
Sustainable use of resources						

Indicators	Grenelle II - Article 225	GRI 3.1	Global Compact principles	Reference: Registration Document	Reference: Corporate and Sustainable Development report	Reference: Website Sustainable development section
Water consumption and supply according to local constraints	2.c-1	EN8/EN9/EN21	# 7 - 9	page 75	page 82	Eco-production
Consumption of raw materials	2.c-2	EN1		page 75	page 82	Eco-production
Consumption of recycled materials		EN2		page 77	pages 23, 44 and 69	Eco-design
Measures taken to improve the efficient use of raw materials	2.c-2	EN10		page 75	pages 68 and 69	Eco-design; Eco-production
Energy consumption	2.c-4	EN1/EN3/EN4		page 75	page 82	Eco-design; Eco-production
Measures taken to improve energy efficiency and use of renewable energy	2.c-4	EN5/EN6/EN7		page 75	pages 17, 68 and 69	Eco-design
Land use	2.c-3			page 75		
Climate change						
Greenhouse gas emissions	2.d-1	EN16/EN17/EN19/EN20	# 7 - 9	pages 76 and 77	pages 82 and 83	Eco-production; Eco-logistics
Adaptation to the consequences of climate change	2.d-2	EN18/EC2		page 76		
Biodiversity protection						
Measures taken to preserve or promote biodiversity	2.e-1	EN 11-15/EN25	# 7 - 9	page 78		Eco-production
Products and services						
Initiatives to reduce the environmental impact of products and services; scope of these initiatives		EN26	# 7 - 9	pages 54, 55 and 74	pages 23, 44, 68 and 69	Eco-design; Products end-of-life
Transport						
Significant environmental impacts stemming from the transport of products, other goods and materials used by the organisation in the course of its operations and the transport of staff members		EN29	# 7 - 9	pages 76 and 77	pages 69 and 82	Eco-logistics
INFORMATION ON CORPORATE CITIZENSHIP COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT						
Regional, economic and social impact of the Company's operations						
With regard to employment and regional development	3.a-1	EC8/EC9		page 54	pages 50, 51 and 65	Communities
On neighbouring or local populations	3.a-2	EC1/EC6/SO1/SO9/SO10		page 54	pages 50, 51 and 65	Communities
Relations with individuals or organisations that have a stake in the Company's operations						
Conditions for dialogue with these individuals or organisations	3.b-1			page 57	pages 62 - 65	Communities
Corporate partnership or sponsorship actions	3.b-2	EC1		pages 71 and 72	pages 62 - 65	Communities; Corporate Foundation
Contractors and suppliers						
Inclusion of social and environmental criteria in the procurement policy	3.c-1	EC6/HR2/HR 5-7	# 1 and 2	pages 53, 72 and 73	pages 50, 54 and 55	Ethics, Responsible purchasing
Extent of sub-contracting and consideration for CSR factors in relations with suppliers and contractors	3.c-2			pages 53, 72 and 73	pages 54 and 55	Ethics, Responsible purchasing

Indicators	Grenelle II - Article 225	GRI 3.1	Global Compact principles	Reference: Registration Document	Reference: Corporate and Sustainable Development report	Reference: Website Sustainable development section
Fair business practices						
Actions taken to prevent corruption	3.d-1	SO 2-4/ SO7/SO8	# 10	page 73	pages 54, 66 and 67	Commitments and management
Measures taken in favour of consumer health and safety	3.d-2	PR1/PR2		page 73	page 41	Consumers
Anti-competitive practices						
Total number of legal proceedings for anti-competitive practices, violation of anti-trust laws and monopolistic practices; results of these proceedings		SO7		page 217		

FINANCIAL AGENDA 2014

24 APRIL AFTER PARIS BOURSE

2014 first quarter sales and financial data

15 MAY AT 2:30 PM (FT)

Annual General Shareholders' Meeting in Paris (at the Paris Bourse)

22 MAY

Payment of dividend

24 JULY AT 6:30 AM (FT)

2014 half-year sales & trading results

23 OCTOBER AFTER PARIS BOURSE

2014 nine-months sales and financial data

Internet publication dates and times

Groupe SEB
Les 4 M chemin du Petit-Bois – BP 172
69134 Écully Cedex France
www.groupeseb.com

This document is printed in compliance with ISO14001.2004 for an environment management system.

Photo credits: Photothèque Groupe SEB, Philippe Schuller, Eduardo Martino.

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
+33 (0)4 72 18 18 18
www.groupeseb.com