GROUPE SEB

2014

FINANCIAL REPORT AND REGISTRATION DOCUMENT

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

Registration Document 2014
and Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers or AMF) on 26 March 2015, 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.

PROFILE

Groupe SEB, in touch with changing times

Sales
€4,253m
+2.2%
like-for-like** * **+4.6%

Operating result from activity
€368m
-10.3%
like-for-like** * **+12.6%

Net profit
€170m
-14.9%

Net financial debt
€453m
+€37 million

Capital expenditure
€124m
-2.4%

Employees
25,759
employees worldwide
at 31/12/14

** at constant scope and exchange rates*

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 reference in Small Domestic Equipment**.
Its success is rooted in **its ability to innovate and invent for daily life in tomorrow's world**, with the ambition of bringing better-living to all households around the world.

A multi-specialist Group

COOKWARE

Frying pans, saucepans, casseroles, baking trays, oven dishes, pressure cookers, storage boxes, kitchen utensils, etc.

KITCHEN ELECTRICS

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

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

HOME AND PERSONAL CARE PRODUCTS

Personal care products: hair care equipment, depilators, bathroom scales, well-being equipment.

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.

Leading positions

Cookware – Pressure cookers – Steam irons and steam generators – Kettles – Toasters – Informal meal appliances – Mixers – Fryers – Grills and barbecues – Waffle makers and toasted sandwich makers – Juicers – Food preparation appliances – Drip coffee makers – Electrical depilators – Rice cookers.

Our market leadership is supported by famous brands

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

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PRESENTATION OF THE GROUP

1.1. KEY FIGURES

(in € millions)	**2014**	2013	2012
Sales	4,253	4,161	4,060
Organic sales growth	+4.6%	+5.4%	-0.9%
Operating result from activity	368	410	415
Operating profit	314	364	368
Profit attributable to owners of the parent	170	200	194
Net debt	453	416	556
Diluted earnings per share *(€)*	3.45	4.08	4.01

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.

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. 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.

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

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 hand press 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.

INTERNATIONAL EXPANSION

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. In 2005, the Group created a subsidiary in Switzerland to support emerging markets in Northern, Central and Eastern Europe, it 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.

External growth: a dynamic acquisition strategy

External growth complements organic growth according to a clear strategy of geographical and product complementarity.

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, 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.

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 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 infrastructure of the Group, which 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 has allowed 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, drawing on a stable shareholder base.

In February 2011, 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 went 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. 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 in the small domestic appliances sector with the Egyptian company Zahran, its main cookware distributor in the country, and bought the Canadian company Coranco in order to obtain direct control of Lagostina product marketing operations in Canada. In 2014, it announced the acquisition of the remaining shares of Maharaja Whiteline which, several months earlier, had been renamed Groupe SEB India, as well as those of Asia Fan.

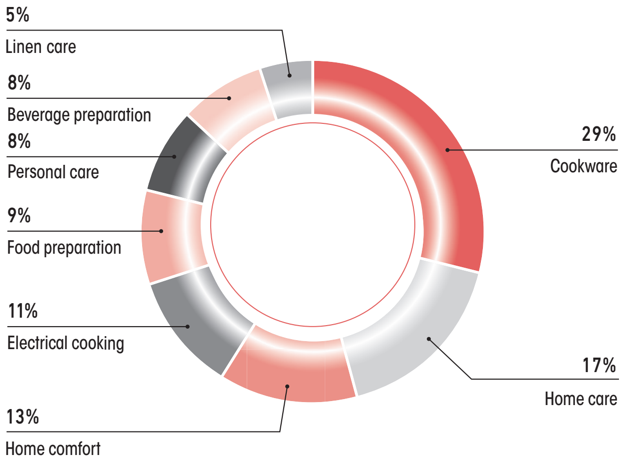
1.3. BUSINESS SECTOR

Groupe SEB is present in both the small domestic appliance sector (which accounts for 70% of its sales) – worth approximately €34 billion according to the latest estimations – and cookware (a sector worth around €14 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 the most 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, Tmall, Nova Pontocom, etc.) and retailer websites over the last few years, while traditional retail sales via physical channels have stagnated.

✚ 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, maturity of markets, targets and the level of product ranges.

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 in this respect on six international brands and a brand portfolio with local leadership.

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 and ironing products.

  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; Arcelik in Turkey; Bork and Redmond in Russia; 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 the 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 De Longhi, 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 global brands (All-Clad, Krups, Lagostina, Moulinex, Rowenta and Tefal) and leading local brands (including Calor and Seb in France, Arno and Imusa in South America, 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. At the same time, it is expanding rapidly in 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, value assessment projects, the extension of shared technical platforms, 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, simplification of structures and reduction of the number of stock keeping units operated by the Group, 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.

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 both business teams and head office departments in 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, comprising 1,300 employees, 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. At the same time, the Group enjoys partnerships with universities, research institutes and other companies, 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. The Group entered into a major European collaborative project in the field of healthy living and general health, known as a Knowledge Innovation Community.

In 2014, 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.

R&D investment amounted to €85 million in 2014 (€81 million in 2013), including Research Tax Credits (€7 million as in 2013) and capitalised R&D costs (€5 million, unchanged from 2013). 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, connected products, batteries, motors, agri-food, sensors, etc.

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 2014, the Group filed 117 patents (unchanged on previous years) and 231 preliminary patent registrations (216 in 2013).

For more information on R&D investments, see Note 14 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 connected home and digital applications, robotics, well-being and the ageing of the population, and sustainable development. 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 nine investments since its creation in 2011, four of which took place in 2014 alone. The new investments are:

- ROBART, an Austrian company that designs hardware and software solutions for mapping and robotic navigation;
- ADVANCED MEMTECH, an Israeli company specializing in the manufacture of microfiltration and ultrafiltration membranes;
- FEELIGREEN, a French company specializing in the use of micro-currents in applications related to health and beauty;
- ZEEPRO, an American 3D printer company.

Partnerships

The Group enters into partnerships to develop new concepts and boost its sales. Representing almost 10% of sales, these partnerships are major drivers of growth and innovation 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 (WWF, etc.), licensing agreements with brands such as Elite, guarantee contracts where, for example, we develop cookware lines in collaboration with notable chefs such as Jamie Oliver or Thomas Keller.

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Industrial strategy

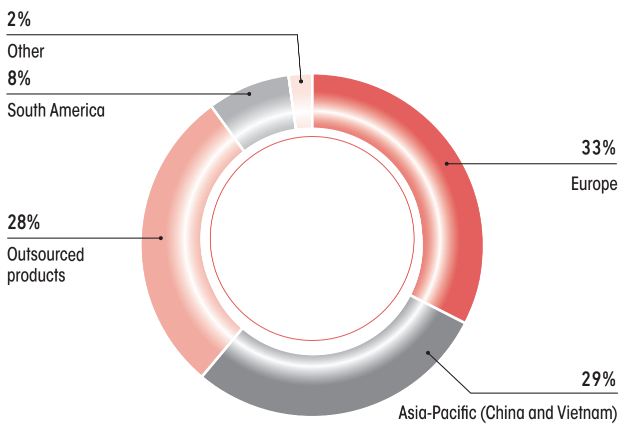
The Group's industrial strategy aims to best serve markets by continuously improving competitive performance and quality over the long term.

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 72% of products sold worldwide. The other 28% are outsourced, in particular to China.

LOCATION OF SALES PRODUCTION



In 2014, the Group's factories operated amid demand that remained stable overall, though with some disparities. The Lourdes site, for example, suffered from a significant fall in its meat mincer volumes, a product typical of the Russian market, which slumped in 2014, and a decline in business for Fresh Express. In contrast, the Chinese sites benefited from sustained local demand and the continued re-integration in China of a portion of production that had previously been outsourced.

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. This allows the concept of the "technical basis" to be promoted so as to standardise sub-assemblies and components, in order to be more responsive to customer demand.

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, the stopping of scales article manufacturing at Rumilly, refitting of the São Paulo site, 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 suppliers. In addition, the Group works to optimise the economic value of materials and components by using value assessment techniques, As in previous years, several major projects were reviewed in 2014 with a view to boosting their competitive edge.

Upgrades to Chinese plants continued in 2014. 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 that had previously been outsourced to Chinese suppliers (including electric kettles, toasters, deep fat fryers, filter coffee makers). The Yuhuan factory, which makes cookware, also significantly raised production to meet high local demand and a growth in exports. In 2014, the Wuhan site, which previously focused on the Chinese domestic market, began to export cookware outside China. The Group also has an industrial presence in Vietnam, with a factory operated by Supor and 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. 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 2014, for production purchases, the Group consolidated its panel of 452 suppliers (468 in 2013), representing approximately 83% 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 representing 41% of non-production purchases. 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 by guaranteeing the technical and methodological assistance of Group teams for 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 2014, comprised 52 companies representing 88% 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 26.2.1 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 on imports (e.g. in Argentina and Ecuador 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 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. The Group's highly globalised presence also helps to balance out sales and offset different countries and geographic regions.

Nonetheless, the Group's operations depend on the economic climate and changes in consumer habits, which, in turn, are related to consumer purchasing power and the financial and economic health of the Group's retail distribution networks.

In 2014, the international climate was again mixed: flat consumption in France, an ongoing recovery in Southern Europe, growth on the Northern European markets, good performance by Central Europe and moderate growth in North America. In contrast, the Group had to deal with a very difficult environment in Russia following a sharp economic downturn and the dramatic devaluation of the rouble. Asia maintained a solid dynamic, driven mainly by China but with the notable exception of Japan, which went into recession. Demand in Brazil remained high despite a decline in the macro-economic indicators.

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 brands on the balance sheet at 31 December 2014 was €370 million, mainly All-Clad, Supor, Lagostina, Arno and Rowenta.

Moreover, as Groupe SEB regularly engages in external growth transactions, goodwill is shown in the Consolidated Financial Statements at the end of 2014 for an amount of €512 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 drop in expected cash flow, notably with regard to a brand's commercial under-performance, or reduced profitability of 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.

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 10 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, limit risk and the probability of major impact at 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 economic environment in Europe was sluggish in 2014, the Group did not experience 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 is 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. In 2014, these subscriptions accounted for 90% of consolidated revenue, despite a fall in coverage in Ukraine. Also, the Group maintained a self-insurance policy first introduced during the 2008 financial crisis, thereby allowing it to manage relationships with retailers long term, on top of the guarantees subscribed on its trade receivables. In addition, risks are strictly controlled at Group level. The risk of a major impact subsequent on results to potential client defaults is therefore limited.

Supplementary information is provided in Notes 16 and 26.4 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 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.). 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.

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 2014, 92.1% of the Group's entities (vs. 89.5% at year end 2013) 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: in 2014, aluminium represented approximately 14% of direct manufacturing purchases (16% in 2013), steel represented 13% (stable in comparison with 2013) and plastics/plastic pieces represented 19% (18% in 2013).

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. In 2014, metal prices (which, for Groupe SEB, mainly meant aluminium, nickel and copper) were stable overall. Plastics prices also changed little from 2013.

To face this intrinsic exposure related to its industrial operations, Groupe SEB deploys a partial hedging policy on a rolling 6 to 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 26.2.3 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 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 help every employee concerned to find a solution. Groupe SEB provides retraining and ensures that concrete actions are taken to re-industrialise the employment areas in question.

RISKS RELATING TO ACQUISITIONS

For more than 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 presented (separation both in terms of distance and culture, language barrier, more complex integration, coordination of communications between two listed companies, etc.). 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. 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. In 2014, it announced the acquisition of the remaining shares of Maharaja Whiteline and Asia Fan.

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.

FRAUD AND CORRUPTION RISKS

The Group's expansion into new locations, the spread of new technologies that facilitate fraud and greater competitive pressure all increase the risk of fraud occurring within the Group's entities. The Group is gradually structuring itself and implementing actions at various levels to address this heightened risk.

With respect to the fight against external fraud, a process of systematically reporting information on attempted fraud from the field to the Internal Audit department allows the Group to analyse these situations, inform all entities of the risks and respond quickly by implementing new checks. A major initiative to raise awareness among financial employees and the systematic application of dual checks, for example, have limited the risk of customer, supplier and Group managers identity theft through technological means.

A map of the fraud risks in our sales branches was drawn up in 2014. This map forms the basis for tests performed on our IT systems by the Internal Audit department to identify potential fraud.

Groupe SEB's code of ethics clearly sets out the requirements of the Group's management with respect to anti-corruption measures. In terms of relationships with suppliers, the Responsible Purchasing Charter sets out the required rules of conduct.

Checks are carried out in the field by internal audit teams on decision-making processes affecting relationships with suppliers, and with customers who represent the main risk areas of passive and active corruption. These checks focus in particular on collective responsibility and transparency when a decision is taken to award a contract to a supplier on the one hand, and on strict control over the amount and type of business expenditure on the other.

In 2014, a training programme on internal control was delivered to the senior managers of the Group's operational entities: this training included an detailed awareness-raising component on fraud risks.

Dependency risks

DEPENDENCE ON SUPPLIERS

As part of its policy of bulk buying, Groupe SEB relies on an approved panel of suppliers for production (452 in 2014 versus 468 in 2013), which accounted for approximately 83% of its worldwide needs last year. The top 50 suppliers accounted for 38% of direct production purchases in value (44% in 2013). With respect to the procurement of finished products, Groupe SEB has established a panel of some 50 suppliers who account for 88% of total purchases (83% in 2013).

Based on 2014 figures, the top three production suppliers provide nearly 8% of production (compared with 6% in 2013) split nearly equally among them. The top three suppliers of finished products provide around 37% of the total (32% in 2013), with the leading supplier contributing about 27% and the second and the third 5% each. 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 2014, the Group's ten largest clients represented almost 26% of consolidated sales, bearing in mind that no one customer exceeds 5% of sales. The three biggest customers over the year were Metro/MediaSaturn, Carrefour and Walmart. 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. In this context, in 2014 a number of entities decided to create shared purchasing structures in order to strengthen their influence on their suppliers. This was the case in France through Auchan's association with Système U and Intermarché's with Casino, and elsewhere between Metro and Auchan (on a scope that excluded small domestic appliances for the alliance).

The percentage of sales made online continues to increase, both via pure players like Amazon, C-discount, Pixmania, Nova Pontocom (Brazil) and Tmall (China), 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 2014, Amazon was the Group's eighth largest client, having not even been in the top 20 in 2009.

2014 was also marked by the rise of Chinese retailers, such as Tmall, Gome and Suning, which continued to grow and are now among our 30 biggest customers. 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 2014, the Group filed 117 patents, in line with previous years (115 in 2013 and 127 in 2012), making it the 16th 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. Such measures inevitably come at a cost, but this is less than the loss of earnings as a result of counterfeiting. In 2014, for example, the Group had products using micro-perforation soleplate and products similar to the Actifry minimal-oil fryer seized and destroyed. Moreover, a number of domain names using the Group's brands were delisted.

In 2014, 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 requires little heavy capital investment.

Liquidity risk management is run centrally by the Finance, Treasury and Tax department. 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, Schuldschein 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 24, 25 and 26 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 in Europe (33% of products sold come from the Group's European factories), the Group's business is strongly export-oriented, which can create a transaction currency risk when products are billed to our clients in a currency different to that of their production. There is also a currency effect from translation into euros 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 transactions, 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 part of its highly probable cash flows, as well as almost all of its transaction exposure, by put and call futures.

Nevertheless, for several years, the Group's trading activity has been strongly disrupted by volatile exchange rates. Given the sometimes sudden 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. In 2014, the depreciation of a number of "long" currencies and, in particular, the collapse of the rouble and the persistent weakness of the yen had a significant impact on revenue (of -€132 million in 2014, after -€116 million in 2013) and the Group's results (-€94 million on the operating result from activity, following €35 million in 2013).

In respect of financing, the Group uses mostly fixed-rate loans, in particular with long maturities, 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 26.2.1 and 26.2.2 to the Consolidated Financial Statements.

RISKS RELATING TO SHARES

At 31 December 2014, Groupe SEB held 1,291,242 treasury shares for a total value of €79.0 million. This treasury stock is deducted from shareholders' equity at acquisition cost.

Based on the closing price of the SEB share at 31 December 2014 (€61.57), the market value of treasury stock was €79.5 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 €8.0 million change in the fair value of treasury stock. This variation has no impact on the consolidated income statement or shareholders' equity.

The share price recorded a slight fall in 2014 (-6.3%). Amid stable European indexes, the Group was particularly penalised by highly volatile currencies. Over the past five years, SEB's share price has actually outperformed the CAC 40 by more than 46%.

Further information on share risks is given in Note 26.2.4 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 2014 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 €5 million on the operating result from activity. The Group also holds a significant "short" position on the Chinese yuan. A 1% variation in the euro-yuan exchange rate would have an impact of about €3 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 2014, the depreciation of several important currencies for the Group had a highly negative impact on operating result from activity, amplifying the trend already observed in 2013.

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 is 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 €4.9 million, based on 2014 Group debt.

Notes 26.2.1, 26.2.2 and 26.2.3 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. 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, environment, transport and inventory and client 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 the major part of 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 29.1 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

CORPORATE GOVERNANCE – REFERENCE CODE

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 (www.medef.fr).

The company's Board of Directors and management bodies thus ensure that their mode of organisation and operation are governed by the corporate governance principles as laid down by the recommendations of the AFEP-MEDEF Code.

Pursuant to the latter and Article L. 225-37 of the French Commercial Code, the Registration Document must report on the application of these provisions and specify the reasons why they were not applied, should this be the case. The application by the company of the recommendations of the AFEP-MEDEF Code is thus described in Chapter 2.

Further to a memorandum addressed to the company by the High Committee for Corporate Governance, the company ensures, in the information provided herein, to provide any and all useful specifications to ensure optimum understanding of the functioning of its governance bodies.

2.1. MANAGEMENT STRUCTURE

The company is managed by Thierry de La Tour d'Artaise, Chairman and CEO, with the assistance of Bertrand Neuschwander, Chief Operating Officer.

2.1.1. Chairman and CEO

In a unitary management structure, the Board of Directors is responsible for deciding whether or not the general management of the company can be entrusted to the Chairman of the Board or to a third party, in accordance with the provisions of Article L. 225-51-1 of the French Commercial Code, in force since 2001, and the recommendations of the AFEP-MEDEF Code.

Thus, at its meeting held on 21 June 2002, the Board of Directors unanimously voted in favour of the general management of the company being entrusted, under its responsibility, to the Chairman of the Board of Directors, Thierry de La Tour d'Artaise.

Each time Thierry de La Tour d'Artaise was re-elected, in 2004, 2008 and 2012, the Board of Directors confirmed this organisation of the company's management authority, which was deemed to be the most appropriate given the company's organisational structure and operating methods. This organisation offers greater speed and efficiency in the decision-making process, which is crucial in light of the activity sector and the highly competitive environment in which the company operates.

On the occasion of the 2014 Board of Directors' evaluation, the directors expressed satisfaction with the current operational approach and issued no remarks on this mode of organisation.

Moreover, the Board of Directors applied no limits to the powers of the Chairman and CEO, which are described in paragraph 2.2.2 below.

2.1.2. Chief Operating Officer

Following its meeting of 22 April 2014, the Board of Directors, on the proposal of the Chairman and CEO and after examination by the Nominations and Remuneration Committee, decided to appoint Bertrand Neuschwander as Chief Operating Officer.

As Chief Operating Officer, Bertrand Neuschwander is required to assist Thierry de La Tour d'Artaise in his Group management tasks, in accordance with the law and the company's bylaws.

He has the same powers as Thierry de La Tour d'Artaise in dealings with third parties.

2.2. COMPOSITION, ORGANISATION AND OPERATION OF THE BOARD OF DIRECTORS

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

According to the AFEP-MEDEF Code, "the organisation of the Board's work, and likewise its membership, must be suited to the shareholder make-up, to the size and nature of each firm's business, and to the particular circumstances facing it. Each Board is the best judge of this, and its foremost responsibility is to adopt the modes of organisation and operation enabling it to carry out its mission in the best possible manner".

The company's Board of Directors uses these recommendations to ensure that it considers all relevant interests and carries out its tasks as efficiently as possible.

2.2.1. Composition of the Board of Directors

The governance of Groupe SEB is based on the existence of a family base that has evolved and adapted to the challenges, business activities and requirements of all stakeholders.

This family heritage is reflected in the composition of the Board of Directors, on which the presence of directors of the Founder Group responds to the dual family group structure whilst complying with the principles of corporate governance, particularly thanks to the presence of independent directors.

GENERAL PRINCIPLES RELATIVE TO THE COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors currently has 15 members whose terms of office are set at four years, in accordance with statutory provisions. The Board comprises the following directors:

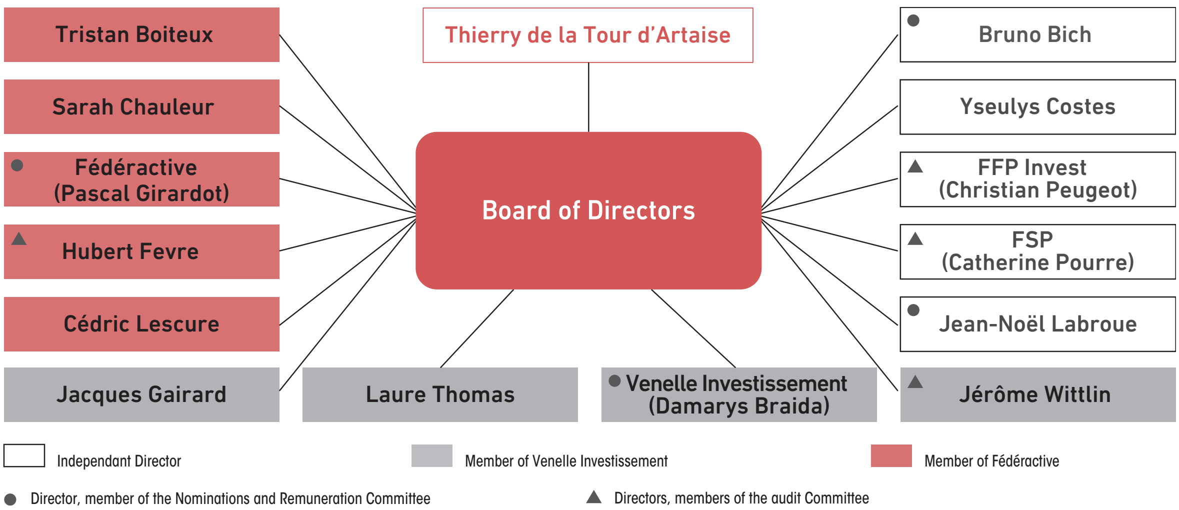
- 1 Chairman;
- 9 directors representing the Founder Group, namely:
  - 5 from the company FÉDÉRACTIVE,
  - 4 from the company VENELLE INVESTISSEMENT;
- 5 independent directors.

As a result, one third of the Board members are independent, as recommended by the AFEP-MEDEF Code.

The presence of five women, i.e. one third of the members of the Board of Directors, ensures female representation is compliant with law no. 2011-103 of 27 January 2011 on the balanced representation of men and women on Boards of Directors and Supervisory Boards and gender equality in the workplace.

The international experience acquired by a large number of directors, through their professional roles or their residence abroad, allows the Board of Directors to take greater account of the economic climate and international issues during its activities.

Moreover, in accordance with the terms of the Directors' Charter and Internal Rules of the Board of Directors (the "Charter and Internal Rules"), under which 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, the Board members together hold 27.17% of the company's share capital and 29.84% of its effective voting rights (29.31% of the theoretical voting rights).



ABOUT THE DIRECTORS

FOUNDING CHAIRMEN

FRÉDÉRIC LESCURE †
HENRI LESCURE †

HONORARY CHAIRMAN

EMMANUEL LESCURE

THIERRY DE LA TOUR D'ARTAISE
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Age:	60
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 4 May 2000
Most recent renewal date:	10 May 2012
Engagement end date:	2016 General Meeting
Committee member:	No
Number of SEB shares held:	366,575

BIOGRAPHY:

Thierry de la Tour d'Artaise joined the Groupe SEB in 1994 in Calor, of which he became Chairman. He was appointed Deputy Chairman of SEB S.A. in 1999.

APPOINTMENTS HELD WITHIN GROUPE SEB:

Chairman of SEB Internationale
Director of Zhejiang Supor Co, Ltd * (China)

APPOINTMENTS AND FUNCTIONS OUTSIDE GROUPE SEB:

Director of Club Méditerranée S.A. *
Director of Legrand *
Permanent representative of Sofinaction, Director of CIC Lyonnaise de Banque

APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS (EXCLUDING GROUPE SEB COMPANIES) AND NOW EXPIRED:

Director of Plastic Omnium

* *Listed company.*

BRUNO BICH
INDEPENDENT DIRECTOR

Age:	68
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 15 May 2014
Most recent renewal date:	None
Engagement end date:	2018 General Meeting
Committee member:	Nominations and Remuneration Committee
Number of SEB shares held:	1,000

BIOGRAPHY:

Graduated from the New York University, Bruno Bich began his career in the Corporate Finance department of the investment bank White Weld & Company, where he worked for five years before joining the BIC Group. He held various positions within that group in the United States, including Vice-Chairman responsible for sales and marketing and Sales Director, and for nine years was Chairman and CEO of BIC Corporation, the Group's US subsidiary.

In 1993, he was appointed Chairman and CEO of Société BIC, replacing Marcel Bich, the company's founding Chairman.

Since 1 March 2006, Bruno Bich has been Chairman of the Société BIC Board of Directors (holding company of the BIC Group).

OTHER CURRENT APPOINTMENTS AND DUTIES:

Chairman of the BIC Board of Directors *

Member of the Bluwan Supervisory Board

Member of the International Advisory Board of the EDHEC business school

Chairman of the Board of Directors of Cello Plastic Products Private Ltd (India)

Chairman of the Board of Directors of Cello Stationery Products Private Ltd (India)

Chairman of the Board of Directors of Cello Tips and Pens private Ltd (India)

Chairman of the Board of Directors of Cello Writing Aids Private Ltd (India)

Chairman of the Board of Directors of Cello Writing Instruments and Containers private Ltd (India)

Chairman of the Board of Directors of Pentek Pen and Stationery private Ltd (India)

Chairman of the Board of Directors of Cello Pens Private Ltd (India)

Trustee of Harlem Academy (United States)

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the Supervisory Board of the Management Institute of Paris – M.I.P. (merger with the EDHEC Group)

TRISTAN BOITEUX
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF FÉDÉRACTIVE

Age:	52
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 14 May 2002
Most recent renewal date:	15 May 2014
Engagement end date:	2018 General Meeting
Committee member:	No
Number of SEB shares held:	102,932 (including 101,917 bare-owner shares)

BIOGRAPHY

Graduated from the École Speciale de Mécanique et d'Electricité Sudria (1987), Tristan Boiteux held various positions at Alcatel over a period of eleven years.

He joined Gemalto in 2000 as a business engineer where he is currently Product Manager.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Member of the FÉDÉRACTIVE Advisory Board

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

APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS (EXCLUDING GROUPE SEB COMPANIES) AND NOW EXPIRED:

None

* *Listed company.*

SARAH CHAULEUR
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF FÉDÉRACTIVE

Age:	43
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 14 May 2013
Most recent renewal date:	None
Engagement end date:	2017 General Meeting
Committee member:	No
Number of SEB shares held:	229,571 (including 229,556 bare-owner shares)

BIOGRAPHY:

Graduated in Information and Communication Sciences, Sarah Chauleur has served since 2009 as Communications Manager for FÉDÉRACTIVE. She is also co-convener of the Première Pierre foundation (placed under the aegis of the Fondation de France).

OTHER CURRENT APPOINTMENTS AND DUTIES:

Member of the FÉDÉRACTIVE Advisory Board

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

YSEULYS COSTES
INDEPENDENT DIRECTOR

Age:	42
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 14 May 2013
Most recent renewal date:	None
Engagement end date:	2017 General Meeting
Committee member:	No
Number of SEB shares held:	750

BIOGRAPHY:

Yseulys Costes holds a Masters degree in Management Sciences and a post-graduate degree in Marketing and Strategy of Université Paris IX Dauphine. She has worked as an Interactive Marketing researcher at Harvard Business School, and as a professor of Interactive Marketing at several higher education institutions (HEC, ESSEC, Université Paris IX Dauphine). She was also coordinator of the Interactive Advertising Bureau (I.A.B.) France for two years.

She is currently Chair and CEO of the company 1000mercis of which she is the founder.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Chair and CEO of 1000mercis

Director of Kering S.A. *

Member of the Vivendi * Supervisory Board

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)

Member of the Numergy Supervisory Board

* *Listed company.*

FÉDÉRACTIVE

DIRECTOR – MEMBER OF THE FOUNDER GROUP

Simplified joint-stock company with share capital of €5,084,597.85
Headquarters: 66, avenue des Champs-Elysées – 75008 Paris
487 544 223 RCS Paris

Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 11 May 2006
Most recent renewal date:	15 May 2014
Engagement end date:	2018 General Meeting
Number of SEB shares held:	6,632,226 (including 6,632,223 nominee shares held as beneficiary)

INFORMATION:

FÉDÉRACTIVE is a controlling holding company which principally represents the equity interests of the founding family, registered on 14 April 2006.

It is represented by its Chairman, Pascal Girardot.

OTHER CURRENT APPOINTMENTS AND DUTIES:

None

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

PASCAL GIRARDOT

PERMANENT REPRESENTATIVE OF FÉDÉRACTIVE ON THE BOARD OF DIRECTORS

Age:	59
Nationality:	French
Committee member:	Nominations and Remuneration Committee

BIOGRAPHY:

Pascal Girardot holds a DESS degree in Econometrics and a diploma from the Institute of Actuaries; he has worked on the financial markets and in financial engineering at the Caisse des Dépôts as a member of the Markets Department for fifteen years. He then joined CPR as Risk Director and director of the company's New York business.

In 1997, he founded Certual, which specialises in financial engineering. He is currently Chairman of this company.

Pascal Girardot is a former Chairman of the Treasury department's Advisory Committee on mandatory standards. He is a member of the French actuaries' institute.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Chairman of Certual

Chairman of FÉDÉRACTIVE

Director of Gaggione

Director of Babylone

Director of NewCore

Director of Tugak

Member of the Proxinvest Supervisory Board and Advisory Board

Member of the Ethics Committee of Ecofi Investissements (Crédit Coopératif Group)

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

HUBERT FÈVRE
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF FÉDÉRACTIVE

Age:	50
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 13 May 2003
Most recent renewal date:	17 April 2011
Engagement end date:	2015 General Meeting (renewal)
Committee member:	Audit Committee
Number of SEB shares held:	284,285 (including 277,055 bare-owner shares)

BIOGRAPHY:

Hubert Fèvre is a graduate accountant. He held financial management positions with Banque Pasche (CM-CIC) in Geneva and a number of finance positions with the Sonatrach Petroleum Corporation, VSNL International, Addax & Oryx and Finacor groups in London.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Member of the FÉDÉRACTIVE Advisory Board

Director of FCL Investissements

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

FFP INVEST
INDEPENDENT DIRECTOR
Simplified joint-stock company with share capital of €541,010,740
Headquarters: 75, avenue de la Grande-Armée – 75116 Paris
535 360 564 RCS Paris

Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 14 May 2013
Most recent renewal date:	None
Engagement end date:	2017 General Meeting
Number of SEB shares held:	2,521,522

INFORMATION:

FFP Invest has been registered since 17 November 2011. It is wholly owned by FFP, a holding company quoted on the Paris stock exchange; most of the shares are held by the Peugeot family group.

It is represented by Christian Peugeot.

OTHER CURRENT APPOINTMENTS AND DUTIES HELD BY FFP INVEST:

Chairman of Financière Guiraud S.A.S.

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

Member of the Onet Supervisory Board

Member of the Supervisory Board of Zodiac Aerospace *

Director of Orpea *

Director of LT Participations

Director of IPSOS *

Director of SANEF *

Director of Gran Via 2008

Managing Director of FFP Les Grésillons

Member of the Executive Committee of LDAP

OTHER APPOINTMENTS AND DUTIES HELD BY FFP INVEST IN THE LAST FIVE YEARS AND NOW EXPIRED:

Managing Director of Valmy FFP

* *Listed company.*

CHRISTIAN PEUGEOT
PERMANENT REPRESENTATIVE OF FFP INVEST ON THE BOARD OF DIRECTORS

Age:	61
Nationality:	French
Committee member:	Audit Committee

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BIOGRAPHY:

Graduated from HEC business school, Christian Peugeot has spent his entire career at the PSA Group, occupying a variety of sales and marketing positions. He currently serves as Executive Vice-president of Public Affairs and External Relations Representative of PSA.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Chairman of UNIFAB
Vice-Chairman and Director of Établissements Peugeot Frères
Vice-Chairman of Football Club Sochaux Montbéliard S.A.
Director of FFP
Director of Compagnie Industrielle de Delle (CID)
Director of Groupe PSP
Director of LISI *
Manager Director of BP Gestion
Manager Director of RP Investissements
Manager Director of SCI Laroche

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Chief Operating Officer of Établissements Peugeot Frères
Director of La Française de Participations Financières
Director of Immeubles et Participations de l'Est
Director of Simante SL
Corporate officer of Peugeot Média Production

FONDS STRATÉGIQUE DE PARTICIPATIONS (FSP)

Independent director
SICAV with a Board of Directors and share capital of €300,000
Headquarters: 47, rue du Faubourg Saint-Honoré – 75008 Paris
753 519 891 RCS Paris

Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 15 May 2014
Most recent renewal date:	None
Engagement end date:	2016 General Meeting
Number of SEB shares held:	2,633,876

INFORMATION:

FSP was registered on 14 September 2012.
It is represented by Catherine Pourre.

OTHER CURRENT APPOINTMENTS AND DUTIES HELD BY FSP:

Director of Arkema *

OTHER APPOINTMENTS AND DUTIES HELD BY FSP IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

* *Listed company.*

CATHERINE POURRE
PERMANENT REPRESENTATIVE OF FSP ON THE BOARD OF DIRECTORS

Age:	58
Nationality:	French
Committee member:	Chair of the Audit Committee

BIOGRAPHY:

Graduated from ESSEC business school and with a degree in Accounting and law from the Catholic University of Paris, Catherine Pourre began her career at PricewaterhouseCoopers, where she was Partner from 1989 to 1999. She works for Cap Gemini as President in charge of the High Growth Middle Market, and is a member of the Group Executive Committee France.

She subsequently joined the 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 Businesses and a member of the Management Board from 2007 to 2013.

Since 2013, she has been Director of U&R Management BV, a company part of the Unibail-Rodamco group.

OTHER CURRENT APPOINTMENTS AND DUTIES HELD BY CATHERINE POURRE:

Director of Neopost S.A. *

Member of the Supervisory Board of Beneteau S.A. *

U&R Management B.V. (Netherlands)

OTHER APPOINTMENTS AND DUTIES HELD BY CATHERINE POURRE IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the Management Board and General Manager, Core Businesses, Unibail-Rodamco S.E. *

Chair then Chief Operating Officer of Unibail Management S.A.S.

Chair and CEO of Tayninh S.A. *

Chair of Doria S.A.S.

Chair of Espace Expansion Immobilière

Director of Comexposium Holding

Director of Unibail-Rodamco Participations

Chair and CEO of Unibail-Rodamco Finance

Director of Viparis Holding

Member of the Uni-Expos Supervisory Board

Director of Viparis-Le Palais des Congrès de Paris

Director of Union Immobilière Internationale

Director of Rodamco Europe Beheer B.V. (Netherlands)

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

Representative of Unibail-Rodamco SE on the Board of Directors of Crossroads Property Investors S.A.

Director of Mfi AG (Germany)

Chair of the Audit Committee, SCI Propexpo

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

Member of the Management Board of Rodamco Europe N.V. (Netherlands)

Permanent representative of Rodamco Europe N.V. (Netherlands), itself director of 8 Unibail-Rodamco subsidiaries

* *Listed company.*

JACQUES GAIRARD
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF VENELLE INVESTISSEMENT

Age:	75
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 18 June 1976
Most recent renewal date:	17 April 2011
Engagement end date:	2015 General Meeting (replacement)
Committee member:	No
Number of SEB shares held:	37,550

BIOGRAPHY:

Graduated from École Centrale de Lyon and holder of a law degree and an MBA from the INSEAD business school, Jacques Gairard 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.

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:

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

JEAN-NOËL LABROUE
INDEPENDENT DIRECTOR

Age:	67
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 12 May 2010
Most recent renewal date:	15 May 2014
Engagement end date:	2018 General Meeting
Committee member:	Chairman of the Nominations and Remuneration Committee
Number of SEB shares held:	1,250

BIOGRAPHY:

Graduated with a Master of Science degree from Northwestern University Chicago, Jean-Noël Labroue has spent almost all of his career at the Darty group. He served as Chairman of the Board of Directors of the Darty group, Managing Director of Kingfisher Electricals UK and Managing Director of Kesa Plc until 2009.

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 * (United Kingdom)

Member of the Supervisory Board of Établissements Darty et Fils

Chairman and CEO of Kesa France

Chairman of the Board of Directors of Kesa International Plc (United Kingdom)

Chairman of the Board of Directors of New Vanden Borre (Belgium)

Board member of Datart Investments S.A. (Luxembourg)

Director of Datart Megastore S.R.O. (Slovakia)

Board member of Datart International As. (Czech Republic)

Director of Kesa Holding company Ltd (United Kingdom)

Director of Kesa Sourcing Ltd (Italy)

Director of Kesa Spain Ltd (Spain)

Director of Kesa Turkey Ltd (Turkey)

Director of Kesa Electricals Asia Ltd (China)

CÉDRIC LESCURE

DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF FÉDÉRACTIVE

Age:	47
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 27 April 1998
Most recent renewal date:	17 April 2011
Engagement end date:	2015 General Meeting (renewal)
Committee member:	No
Number of SEB shares held:	529,181 (including 414,153 bare-owner shares)

BIOGRAPHY:

Graduated from the Nantes veterinary school, Cédric Lescure is a veterinary surgeon. He is currently Managing Director of the Clos Guillaume veterinary clinic, which he set up in 2000 in Fontaine-les-Dijon (Côte-d'Or).

In 2010, he set up the company Vetshop 21, which sells veterinary food online. He is the President of this company.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Managing Director of the Clos Guillaume veterinary clinic

President of Vetshop 21 S.A.S.

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the FÉDÉRACTIVE Advisory Board

Managing Director of Vetshop Création

LAURE THOMAS

DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF VENELLE INVESTISSEMENT

Age:	43
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 14 May 2013
Most recent renewal date:	None
Engagement end date:	2017 General Meeting
Committee member:	No
Number of SEB shares held:	263,354 (including 1,269 bare-owner shares)

BIOGRAPHY:

Graduated from Dijon's Business School (École Supérieure de Commerce), Laure Thomas is an interior designer.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Member of the Supervisory Board of VENELLE INVESTISSEMENT

Managing Director of SCI Pommard Clos Blanc

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the Pierre Cotte Management Board

Co-manager of Groupement Forestier Bartavelle

VENELLE INVESTISSEMENT

DIRECTOR – MEMBER OF THE FOUNDER GROUP

Simplified joint-stock company with share capital of €3,750,736.68
Headquarters: 47, rue du Faubourg Saint-Honoré – 75008 Paris
414 738 070 RCS Paris

Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	27 May 1998
Most recent renewal date:	General Meeting of 10 May 2012
Engagement end date:	2016 General Meeting
Number of SEB shares held:	17,902

INFORMATION:

VENELLE INVESTISSEMENT is a family shareholder company, which was registered on 9 December 1997.

It is represented by Damarys Braida.

OTHER APPOINTMENTS AND DUTIES HELD BY VENELLE INVESTISSEMENT:

None

OTHER APPOINTMENTS AND DUTIES HELD BY VENELLE INVESTISSEMENT IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

DAMARYS BRAIDA

PERMANENT REPRESENTATIVE OF VENELLE INVESTISSEMENT ON THE BOARD OF DIRECTORS

Age:	47
Nationality:	French
Committee member:	Nominations and Remuneration Committee

BIOGRAPHY:

Graduated from École des Mines engineering school in Paris, Damarys Braida joined L'Oréal in 1991 to set up the capillary asset laboratory.

Between 1997 and 2004, she led the efficiency evaluation departments. From 2005 to 2009 she led the colour development laboratory, then from 2010 to 2012, the global make-up development laboratory.

Since 2012, she has been head of Cosmetics Research Strategy at L'Oréal.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Chair of VENELLE INVESTISSEMENT

Managing Director of Venelle Plus

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

JÉRÔME WITTLIN

DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF VENELLE INVESTISSEMENT

Age:	55
Nationality:	French
Election origin:	L. 225-17 of the French Commercial Code
Date of first appointment:	General Meeting of 6 May 2004
Most recent renewal date:	10 May 2012
Engagement end date:	2016 General Meeting
Committee member:	Audit Committee
Number of SEB shares held:	6,338

BIOGRAPHY:

Jérôme Wittlin began his career in 1984 with the Crédit 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 member of the Executive Committee of CIC Banque Privée.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Managing Director of VENELLE INVESTISSEMENT

Chairman of Venelle Plus

Managing Officer of Trois Rivières Holding

Director 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

* *Listed company.*

RENEWAL AND APPOINTMENT OF DIRECTORS

In accordance with the provisions of the Company's bylaws and the AFEP-MEDEF Code, the duration of Directors' term of office is staggered, enabling shareholders to vote regularly and frequently on the composition of the Board of Directors and avoid any mass renewals.

This system ensures the continuity of operation of the Board of Directors and encourages the smooth and regular renewal of its members.

Renewal of the engagement of two Board members in 2015

As the engagements of Hubert Fèvre and Cédric Lescure are due to expire at the General Meeting of 12 May 2015, the shareholders, on the recommendation of the Nominations and Remuneration Committee, will be asked to renew their engagements for four years.

Appointment of a new director in 2015

As the engagement of Jacques Gairard is due to expire at the General Meeting of 12 May 2015 and he does not wish to stand again, he will be replaced. To this end, the Board of Directors, on a proposal of the Nominations and Remuneration Committee, will submit to the shareholders the appointment of William Gairard as a member of the Board of Directors for a period of four years.

After reviewing the candidacy of William Gairard, it was the judgement of the Board of Directors that he is capable not only of assuming the duties of a director of the company but also of contributing the knowledge he had gained within a listed company in the consumer products industry. His entrepreneurial experience in South America will add greatly to the Board's discussions. Consequently, the Board of Directors judged his candidacy to be appropriate and suitable to renew the representation of its majority shareholders.

An introduction to William Gairard is given below:

WILLIAM GAIRARD

Age:	34
Nationality:	French
Number of SEB shares held:	431,493 (including 290,394 bare-owner shares)

BIOGRAPHY:

Graduated from EM Lyon and with an IUP MSG Management degree from the Université Jean Moulin Lyon III, William Gairard has served for seven years as controller for Management and Auditing at Pernod Ricard S.A.

In 2012, he founded Ecopro Solutions S.A. de C.V., a Mexican company which promotes responsible plastic use. He heads this company.

OTHER CURRENT APPOINTMENTS AND DUTIES:

Managing Director of Ecopro Solutions S.A. de C.V. (Mexico)

OTHER APPOINTMENTS AND DUTIES HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

DECLARATIONS OF THE DIRECTORS

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 Executive Committee, with the exception of Thierry de La Tour d'Artaise.

Absence of criminal convictions or sanctions

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 on 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.

Absence of conflicts of interest

As far as the company is aware, and in line with its conflict of interest management policy outlined in the paragraph below, there is no potential conflict of interest between the duties, vis-à-vis SEB S.A., of the members of the administration bodies and the General Management and their private interests.

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.

The existing regulated agreements have been authorised in advance in accordance with the law and are described below in Chapter 2.4.

INDEPENDENCE OF THE DIRECTORS

With 5 independent Board members representing one third of members of the Board of Directors, the composition of the Board of Directors meets the recommendations of the AFEP-MEDEF Code, which stipulates that "in controlled companies, independent directors should account for at least a third".

The status of independent director is examined by the Nominations and Remuneration Committee prior any renewal or appointment of member of the Board of Directors. To this end, a "Selection guide" is used, which aims to ensure that the candidate meets certain criteria before any appointment or renewal proposal.

The selection guide recaps all the independence criteria stipulated by the AFEP-MEDEF Code. Therefore, members of the Board of Directors who have no connection to the company, its Group or its Management that could compromise them in exercising their free judgement are considered as independent. They must also meet the criteria below:

- not to be an employee or executive director of the corporation, or an employee or director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years;
- not to be an executive director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the corporation (currently in office or having held such office for less than five years) is a director;
- not to be a customer, supplier, investment banker or commercial banker that is material to the corporation or its group, or for a significant part of whose business the corporation or its group accounts.

The following are also examined:

- any family connections to an executive director;
- the current or past business relations with the company;
- the duration of the director mandate.

The conclusions of the examination conducted by the Nominations and Remuneration Committee are then sent to the Board of Directors so that it can examine the situation of each member of the Board of Directors.

Therefore, after being made aware of the conclusions of the Nominations and Remuneration Committee and having looked at the individual situations of the members of the Board of Directors as regards the criteria set out by the AFEP-MEDEF Code, the Board of Directors considered that Bruno Bich, Yseulys Costes, Jean-Noël Labroue, Christian Peugeot (permanent representative of FFP Invest) and Catherine Pourre (permanent representative of FSP) were independent directors.

In addition to the criteria laid down by the AFEP-MEDEF Code, the company takes an active interest in ensuring that the operation and organisation of the Board of Directors' work allows its members to fully use their freedom of judgement.

The directors commit, pursuant to the Charter and Internal Rules, "to maintain their independence of analysis, judgement, decision and action and to reject any pressure, direct or indirect, which may come to bear on them".

MANAGING CONFLICTS OF INTEREST

To ensure the objectivity of its Board members and prevent any risk of conflict of interest, several mechanisms have been designed and implemented. These aim to ensure that there is no conflict of interest situation, either at the time of the appointment or renewal of a member of the Board of Directors, or during their mandate.

Therefore, when a director's position is renewed or when they are appointed, the Nominations and Remuneration Committee checks compliance with the criteria laid out in the AFEP-MEDEF Code, as outlined above, ensuring that the relationship with the company is not likely to generate a conflict of interest.

In addition, each director's individual situation is examined in a "Yearly declaration of interest" to be prepared by the directors for the first time in 2015, which allows the company to check that the independence and conflict of interest prevention criteria have been met each year and that the situation of the directors has not changed as regards these requirements.

Finally, during a mandate, if a conflict of interest situation arises which results in the director not being able to give an opinion or to vote in the interests of the company, that member of the Board of Directors must, in accordance with the provisions of the Charter and Internal Rules, notify the Board of Directors. The Board, if necessary without the member concerned being present, must then decide whether the member of the Board of Directors should take part in the debate and/or vote on the items on the agenda.

The yearly declarations for 2015 did not reveal any conflict of interest. However, at its meeting of 24 February 2015, the Board of Directors discussed the existence of a business flow between some entities of Groupe SEB and the company 1000mercis, of which Yseulys Costes is Chair and Chief Executive Officer. This business flow corresponds to interactive advertising and marketing services, for which 1000mercis occupies a prime place on the market. Yseulys Costes does not manage this business relationship in any way. This is done by the operational teams of 1000mercis.

Having considered the value of the concerned transactions, which amounted to around 0.01% of Groupe SEB's consolidated sales and 0.02% of its capital, and 0.5% of the consolidated sales and the capital of 1000mercis, the Board of Directors decided to exclude the possibility of a conflict of interest and to confirm Yseulys Costes as an independent director.

2.2.2. Organisation and operation of the Board of Directors

ROLE AND MEETINGS OF THE BOARD OF DIRECTORS

Role of the Board of Directors

Pursuant to the provisions of Article L. 225-35 of the French Commercial Code and the company bylaws, the Board of Directors determines the courses of action taken by the company's business and ensures they are implemented; it deals with all matters regarding the proper functioning of the company and resolves, via its deliberations, those matters which concern it, within the limit of the corporate purpose and subject to the powers explicitly assigned by the law to Shareholder Meetings. The Board of Directors also makes any checks that it deems appropriate.

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.

As regards the strategic priorities, the Charter and Internal Rules state that "the Board of Directors determines the Group's strategy." The Board of Directors is thus responsible for examining and determining the Group's strategic operations, without limitations of any kind.

This role, which positions the Board of Directors at the heart of strategic reflections, also ensures a balance of power.

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

Information about the organisation and operation of the Group's administrative and management bodies is included in the Chairman's Report on internal control (page 61).

Meetings of the Board of Directors

The Board of Directors met six times in 2014. The attendance rate was 92%.

The meetings are generally arranged as follows:

- February: examination of the yearly financial statements and approval of the budget;
- April: examination of the quarterly results and examination of a matter for reflection;
- May: a meeting following the Annual General Meeting;
- July: examination of the half-yearly financial statements;
- October: examination of the quarterly results and examination of a matter for reflection;
- December: examination of the financial statements from the end of November, evaluation and composition of the Board of Directors.

In addition to this, the Board of Directors may meet as often as the interest of the company requires, in accordance with the provisions of the law and the bylaws.

So that the Board members can best organise their attendance and involvement in the meetings, several systems have been implemented:

- the schedule for the meetings of the Board of Directors and the Committees is drawn up with the directors and circulated at least one year in advance;
- the meetings are held in Paris, or at the headquarters of the company in Écully;
- Board members who are unable to travel can take part in meetings by telephone or videoconference.

An Annual Meeting is traditionally held at one of Groupe SEB's sites, in France or overseas, so that the members of the Board of Directors can meet the operational teams of the industrial sites and commercial subsidiaries and learn about the Group's activity. This allows them to find out about the priorities and problems, but also to better incorporate the historical, human and geographical dimensions in their considerations.

In 2014, the Board of Directors visited the premises of the company Groupe SEB Moulinex, in Mayenne, where members learned about the site's business activity (espresso machines, food preparation and the Cuisine Companion).

Further to the evaluation of the Board of Directors in 2014, which took place between October and November, the members of the Board of Directors were satisfied with the organisation and duration of the meetings, particularly the reliability of the schedule that had been sent to them. The quality of the resources used to take part in meetings remotely and site visits were also particularly appreciated.

This evaluation also allows directors to discuss issues they would like to see included on the agenda for future Board Meetings. Depending on the suggestions, two themes are selected to be dealt with in the following year by the Board of Directors.

CHAIRMAN AND CEO

The Chairman and CEO represents the company in its relations with third parties. He has the widest powers to act under all circumstances on the company's behalf (Article L. 225-56 of the French Commercial Code).

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

In accordance with the provisions of the directors' Charter and Internal Rules, the Group's strategic orientations are suggested by the Chairman and CEO to the Board of Directors, which is responsible for deciding the proposals as regards the Groupe SEB strategy.

As Chairman of the Board of Directors, the Chairman and CEO's role is to represent the Board of Directors. To this end, he is mainly responsible for:

- organising and directing the work of the Board of Directors;
- reporting on the work of the Board of Directors to the General Meeting;

- ensuring the proper functioning of the corporate bodies;
- ensuring that the directors are able to fulfil their roles.

In addition, to ensure that members of the Board of Directors are fully informed, the Chairman of the Board of Directors may be asked by the members to obtain additional information when relevant and necessary for them to perform their role, in accordance with the provisions of the Directors' Charter and Internal Rules.

SECRETARY OF THE BOARD OF DIRECTORS

To ensure smooth operation of the Board of Directors, it appoints a Secretary, who does not have to be a Board member. Therefore, Philippe Sumeire, the Group's Legal Director, is secretary of the Board of Directors, having been appointed on 16 December 2011.

His role is to assist the Chairman and CEO to organise the work of the Board of Directors and the specialist Committees.

BOARD OF DIRECTORS' COMMITTEES

Since 1995, the Board of Directors has had two specialised Committees to help it in certain tasks, for which specific skills and reflections are required. These are the Audit Committee and the Nominations and Remuneration Committee.

At its meeting of 11 December 2009, the Board of Directors laid out the principles for the composition of these specialised Committees. These are now composed of four members, i.e. two Board members representing the Founder Group and two independent directors respectively. This composition takes account not only of the need to ensure the presence of independent directors but also the shareholder base of the company.

The functioning of the specialised Committees is specifically assessed as part of the annual evaluation procedure of the Board of Directors.

After the evaluation conducted in 2014, the Board members said they were satisfied with the way the Committees worked, and were particularly satisfied with the reports that had been supplied to them. The members of the Committees also emphasised the progress made in terms of the quality of the information sent to them, notably in advance of meetings.

The Audit Committee

COMPOSITION AND FUNCTIONING OF THE AUDIT COMMITTEE

The Audit Committee has four members, who are:

- Catherine Pourre, representative of the Fonds Stratégique de Participation;
- Christian Peugeot, representative of FFP Invest;
- Hubert Fèvre, representative of FÉDÉRACTIVE;
- Jérôme Wittlin, representative of VENELLE INVESTISSEMENT.

Since the Fonds Stratégique de Participation was coopted by the Board of Directors on 25 February 2014, Catherine Pourre, permanent representative of the Fonds Stratégique de Participation, is now Chair of the Audit Committee, replacing Philippe Lenain.

Consequently, the Chair of the Audit Committee is an independent director, who serves as a coordinator of its activities and whose powers are strengthened by her/his deciding vote in the event of a tied vote.

To better perform their specific roles, and in accordance with the advice of the AFEP-MEDEF Code, each member has financial or accounting skills.

Also, if necessary, the Audit Committee may request opinions or consultations from external experts on specific points.

The work of the Audit Committee is based around the following:

- informing the Board on the identification, evaluation and handling of the main financial risks to which the Group may be exposed;
- ensuring the relevance of the accounting methods used to prepare the annual and half-yearly financial statements;
- notifying the Board of Directors of any useful observations or recommendations;
- participating in the preparatory procedure for appointing Statutory auditors and ensure their independence.

The Audit Committee is usually held in the presence of the Statutory auditors, the Executive Vice-president, Finance, the Director of Internal Audit and the Director of Accounts. However, when the procedures used by the Statutory auditors are examined, the management withdraws.

For logistical and organisational reasons, Audit Committee Meetings are generally held one day prior to the examination of the half-yearly and yearly financial statements by the Board of Directors. This period allows the Audit Committee to examine the financial statements if they are sent to it at least two days prior to the meeting.

The accounts review is accompanied by a presentation from the Statutory auditors stressing the salient points identified during their audits, procedures, the selected accounting options and a report describing exposure to risks and significant off-balance sheet commitments.

At the end of its meetings, the Audit Committee prepares a detailed report which is sent to all the directors, informing them fully of the content of its discussions as well as its conclusions and recommendations.

AUDIT COMMITTEE ACTIVITY

In 2014, the Audit Committee met three times with a 87.5% attendance rate.

As part of its prerogatives, the Audit Committee, as every year, examined the following in 2014:

- the draft annual accounts as at 31 december 2013 and the draft half-year accounts as at 30 June 2014, 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;
- the renewal of mandates of the Statutory auditors for 2015-2020 for which it approved the specifications and supervised the call for tenders process launched during the year;
- the review of the main findings of the internal audits carried out in 2014;
- the proposal of internal audit schedules for 2015;
- the mapping and analysis of major risks.

The above shows that the Audit Committee has been:

- informed by the Statutory auditors of the content and conclusions of their audit and enabled to discuss with them without the presence of the management;
- able, using the presentations given by the Financial Director and their team, to know and assess the company's major risks and off-balance sheet commitments.

The Nominations and Remuneration Committee

COMPOSITION AND FUNCTIONING OF THE NOMINATIONS AND REMUNERATION COMMITTEE

The Nominations and Remuneration Committee has the four following members:

- Jean-Noël Labroue;
- Bruno Bich;
- Pascal Girardot, representative of FÉDÉRACTIVE;
- Damarys Braida, representative of VENELLE INVESTISSEMENT.

Jean-Noël Labroue, an independent director, chairs and coordinates the activities of this Committee and thus has the deciding vote in the event of a tied vote.

In addition, if necessary, the Nominations and Remuneration Committee may request opinions or consultations from external experts on specific points. This was notably the case as regards compensation.

The work of the Nominations and Remuneration Committee is based around the following:

- issuing recommendations on the composition of the Board of Directors, the appointment or renewal of Board members, the Group's organisation and structures;
- proposing the compensation policy for corporate officers and examining the compensation policy for the main executive directors;
- proposing the implementation and procedures for stock option plans and free shares;
- issuing recommendations on governance or ethics matters.

Since 2013, the Nominations and Remuneration Committee has been responsible for examining the Group's sustainable development policy, including the report on action taken and the company's policy in this area.

As part of its work on the composition of the Board of Directors, the Nominations and Remuneration Committee examines each application against the following criteria:

- the composition of the shareholder base;
- the skills, experience and representative nature of the applicant;
- the enrichment of the experiences within the Board of Directors;
- the gender balance.

At the end of its meetings, the Nominations and Remuneration Committee produces a detailed report to which members of the Board of Directors have access at any times, so that they are fully aware of the content of its discussions and its conclusions and recommendations.

NOMINATIONS AND REMUNERATION COMMITTEE ACTIVITY

The Nominations and Remuneration Committee met four times in 2014, with an attendance rate of 100%.

In 2014, the Nominations and Remuneration Committee:

- examined the 2013 variable and 2014 fixed and variable remuneration for the Chairman and other members of the Group Executive Committee;
- examined the proposal for the nomination of Bertrand Neuschwander as Chief Operating Officer and made recommendations on the fixing of the different components of his compensation, benefits and in particular, the conditions of separation;
- reviewed the candidates for the Board of Directors, who will be voted on by shareholders at the next General Meeting;
- compiled the responses to the evaluation of the operation of the Board of Directors and made recommendations accordingly;
- studied Groupe SEB's corporate governance practices, particularly as regards the recent legislative changes and the AFEP-MEDEF Code, recommending a certain number of changes, such as a new evaluation questionnaire to include self-assessment of the individual contribution of each member of the Board of Directors and a questionnaire designed to formalise the prevention and treatment of conflicts of interest and independence, and ensure the application of the independence criteria as laid down by the AFEP-MEDEF Code;
- performed an annual Human Resources review;
- examined the sustainable development policy and approved the report on action taken and the company's initiatives in this area.

INFORMATION FOR DIRECTORS

The Chairman ensures that the directors have the information and documents required to fully perform their role at all times during their mandate.

In 2006, the company created a site dedicated to the directors. This documentary database reserved for the directors in which the documents are made available to them ensures accessibility and the speedy circulation of information in the strictest confidentiality. This database has been overhauled and updated in 2014 to improve its readability. Documents relevant to the different tasks of each director have also been added to it.

Before each meeting, the Board members can read the documents relating to items on the agenda.

The Chairman also ensures that the information on General Meetings, financial publications, sales and results, as well as press items and press releases by the Group are brought to their attention on the website.

A section on corporate governance also allows them to refer to the AFEP-MEDEF Code, the Charter and Internal Rules, and Group code of ethics, and the company bylaws at any time.

So that all of these documents can be circulated in good time to the directors, the frequency with which the various documents go online was redefined in 2014. The Chairman thus ensures that all documents can be accessed after the end of the validation process.

After the 2014 evaluation by the Board of Directors, the members of the Board of Directors were very satisfied with the information they had been provided with in order to perform their duties. They highlighted the progress made in providing documents prior to meetings of the Board of Directors, allowing them to prepare for meetings under the best conditions and thus perform their duties in the best conditions.

DIRECTORS' FEES

The maximum amount of attendance fees remained stable since the level authorised by the General Meeting of 17 May 2011 at €450,000.

This amount is allocated to members of the Board of Directors partly on a fixed basis and partly on a prorata basis of their attendance at meetings of the Board of Directors and the Committee Meetings.

Thus from 1 May 2013 to 30 April 2014, the compensation paid in attendance fees was structured as follows:

Function	Fixed part	Variable part
Director	€12,000	€12,000
Committee Chairman	€7,500	€7,500
Committee member	€5,000	€5,000

In 2014, overall attendance fees paid to Board members totalled €441,133 (gross of deductions and/or withholdings), compared with €450,000 in 2013.

EVALUATION OF THE BOARD OF DIRECTORS

In accordance with the provisions of the AFEP-MEDEF Code, the Charter and Internal Rules, the Board of Directors is evaluating its functioning. Since 2003, this evaluation has been carried out annually (apart from in 2009) and ensures optimum operation of the Board of Directors as well as the suitability of the duration of discussion of matters of importance to the company and the Group.

In 2014, the evaluation of the Board of Directors was carried out, as in the past, using a detailed questionnaire sent to each member of the Board of Directors on the following:

- the preparation of meetings of the Board of Directors;
- the operation of the Board of Directors;
- the Committees;
- the remuneration of Board members;
- the composition of the Board of Directors;
- the information of the Board Members;
- the corporate governance.

Discussing all of these issues, members of the Board of Directors can make suggestions to participate actively in adjusting the way the Board works and therefore, its efficiency.

A summary is made of the analysis of the individual responses by the Nominations and Remuneration Committee, which is reported back to the Board of Directors at its next meeting.

In 2014, the Board of Directors evaluated it, and found a high level of satisfaction as regards its operation, which continues to evolve positively year on year.

At the end of its meeting of 10 December 2014, the Nominations and Remuneration Committee approved a new evaluation questionnaire of the Board of Directors, which was also welcomed favourably by the Board of Directors.

This new questionnaire, which includes a section for director self-evaluation, will allow to assess the actual contribution made by each member of the Board of Directors to the Board's work and reflects the company's will to constantly improve the way its Board of Directors works and increase awareness among the directors of the AFEP-MEDEF corporate governance principles.

DIRECTORS' CHARTER AND INTERNAL RULES OF THE BOARD OF DIRECTORS

The first version of the Directors' Charter and Internal Rules of the Board of Directors was prepared in 2003. This unique document has two parts, one on the rules of conduct applicable to members of the Board of Directors, the other on the operational rules of the Board of Directors and its Committees.

This document is regularly updated depending on developments, and notably in 2013 to include the latest recommendations of the AFEP-MEDEF Code.

The main provisions of the Charter and Internal Rules are repeated or presented within this Chapter 2 of the Registration Document.

Directors' Charter

The Directors' Charter specifies the role and duties of each member of the Board of Directors that they accepts from the begining of their mandates.

The main points in this Charter are: respect and protection of corporate interests, attendance, dealing with any conflicts of interest, access to information, confidentiality, independent analysis and reminder of the legal procedure regarding privileged information.

Internal rules

As the Internal Rules are designed to ensure the smooth operation of the Board of Directors, each member of the Board of Directors is informed of them at the start of their mandate.

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

IMPLEMENTATION OF RECOMMENDATIONS MADE IN THE AFEP-MEDEF CODE

In line with the "Apply or Explain" rule provided for 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 recommendations of the AFEP-MEDEF Code. 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.	Generally Groupe SEB attaches particular importance to respecting the proven and stable organisation of companies as inferred from the legislative provisions. Matters relating to the performance of the Chairman and CEO are dealt with by the Nominations and Remuneration Committee, whose recommendations are then dealt with by the Board of Directors without the interested party being present. 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 acting jointly, 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. Both Committees are chaired by an independent director who leads and steers the Committee's work. They have the deciding vote if the vote is tied.
Article 16.2.1: Examination of the financial statements by the Audit Committee The time frame for examining the financial statements must be sufficient (at least two days prior to examination by the Board).	For organisation and logistics reasons, the meetings of the Audit Committee are generally held the day before the Board of Directors' Meetings. However, all documents useful in preparing the Audit Committee Meetings are sent in advance of the meetings, so that members of the Audit Committee can prepare their meeting and ensure good preparation of the deliberations of the Board of Directors on the financial statements.
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.	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 re-examined the circumstances of the corporate officer, considered that Thierry de la Tour d'Artaise's employment contract, which had been suspended since 2005, should remain suspended, in light of his age, personal situation, and seniority within 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.	Taking into account the share lock-up conditions imposed on corporate officers upon the exercise of stock options and the vesting of performance shares, the Board of Directors decided against the mandatory purchase of additional company shares by the corporate officers once the awarded shares were available. These share lock-up conditions, combined with the demanding performance conditions for acquiring them, were considered adequate. Thierry de La Tour d'Artaise held 366,575 shares at 31 December 2014, i.e. a value, at the average 2014 share price (€62.65), of over one year's remuneration (fixed plus target bonus). On the other hand, Bertrand Neuschwander holds a lower number of shares due to his recent arrival in the Group.

2.3. GROUP MANAGEMENT BODIES

2.3.1. Composition of management bodies

GROUP EXECUTIVE COMMITTEE

Thierry de La Tour d'Artaise	Chief Executive Officer
Bertrand Neuschwander	Chief Operating Officer
Stéphane Laflèche	Senior Executive Vice-president, Industrial Operations
Vincent Léonard	Senior Executive Vice-president, Finance
Harry Touret	Senior Executive Vice-president, Human Resources
Frédéric Verwaerde	Senior Executive Vice-president, Continents

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

2.3.2. Organisation of management bodies

THE GROUP EXECUTIVE COMMITTEE ("COMEX")

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 ("CODIR")

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

2.4.1. Executive remuneration policy

Remuneration policy for top management is set by the Board of Directors upon proposal 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. The total remuneration granted to senior executives is determined by taking all remuneration and benefits into account, including the benefit of the supplementary pension scheme.

According to these principles, the Nominations and Remunerations Committee proposes to the Board of Directors the elements included in the remuneration of each senior executive, while remaining attentive to the necessary balance among them all as well as between the qualitative and quantitative performance criteria.

In 2014, remuneration of the current members of the Groupe SEB Executive Committee amounted to €5,026,874 of which €2,849,813 was for the fixed portion and €2,177,061 for the variable portion.

The elements presented below cover remuneration and benefits of every kind (performance shares, severance payments, benefits in kind and supplementary pension benefits) concerning Thierry de La Tour d'Artaise and Bertrand Neuschwander, the only corporate officers to receive remuneration (as the other Board members receive attendance fees only).

2.4.2. Components of the remuneration

FIXED COMPENSATION

It should reflect the executive corporate officer's responsibilities, level of experience, skills and qualifications and be in line with market practices. The annual compensation amount is discussed and then proposed by the Nominations and Remuneration Committee to the Board of Directors. It remains stable over several years and serves as a basis for the annual variable compensation.

VARIABLE COMPENSATION

It is determined so as to align remuneration with Groupe SEB's annual performance and to support, year after year, the execution of a long-term growth strategy. Thus the variable remuneration of corporate officers is set using the same principles and rules as for all Groupe SEB managers, i.e.:

- it is expressed as a percentage of fixed compensation of the reference year and represents, if all targets are met, a target of 100% for the Chairman and Chief Executive Officer, 80% for the Chief Operating Officer and 60% for the other senior executives (members of the Executive Committee);
- it is capped and may represent up to 150% of base compensation for the Chairman and Chief Executive Officer, up to 125% for the Chief Operating Officer and up to 100% for the other members of the Executive Committee;
- the quantitative portion linked to the economic performance of Groupe SEB is measured with respect to sales targets and operating result from activity and represents 60% of the variable compensation;
- the qualitative portion linked to individual performance is measured with respect to specific strategic targets, includes an overall assessment of the management team's performance and represents 40% of the variable compensation;
- the quantitative and qualitative performance criteria are discussed and then proposed by the Nominations and Remuneration Committee and finalised by the Board of Directors at the start of the financial year, during the review of the preceding year's financial statements and the coming years budget, and are in line with Groupe SEB's strategic priorities.

LONG-TERM VARIABLE COMPENSATION

It is designed, using stock options and/or performance shares, to tie the corporate officers and the executives to the achievement of Groupe SEB's long term targets and the consequent creation of value for the shareholders. The Board of Directors therefore decided that the entirety of these awards should be subject to performance criteria linked to sales and operting result from activity targets over a multi-year period of three years.

The Board of Directors, acting on the proposal of the Nominations and Remuneration Committee, takes special care that the principles and rules remain simple and stable over time and that the performance criteria are demanding and enduring.

As a consequence, the criteria defined meet the dual necessity of being sufficiently stringent while remaining a motivation source. The stock option and/or performance share allocations have never been fully allocated since the plans were set up in 2010.

Regarding the 2014 plan, the performance calculation depends on the achievement of the provided targets linked to sales and operating results from activity realised during the three-year lock-up period (i.e., 2014, 2015 and 2016):

- if at least 100% of the targets for sales and operating result from activity are achieved, all performance shares will be granted;

- if 50% to 100% of the targets for sales and operating result from activity are achieved, stock options and performance shares will be granted in proportion to the targets achieved;
- if less than 50% of the targets is achieved, no performance shares will be granted.

The award of performance shares has no dilutive effect on earnings as all shares granted are existing shares bought back by the company. As recommended by the AFEP-MEDEF Code, the Board of Directors makes the awards at the same calendar period each year.

In addition, shares resulting from the exercise of options and bonus shares awarded to corporate officers and executives (members of the Executive Committee) are subject to a holding period, in registered (name) form, as explained below, during their term of office.

Furthermore, all recipients of stock options and/or performance shares receive an internal directive put out each year for the following yearly reporting period, defining the blackout periods, in accordance with the recommendations of the French Markets Authority, as regards to the company's accounting calendar, particularly the announcement of results. This memo also reminds its recipients of the rules regarding the use of information deemed privileged by stock market regulations.

The company further 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.

BENEFITS IN KIND

Corporate officers are given company cars, as are all executives.

PENSION COMMITMENTS, SUPPLEMENTARY SOCIAL PROTECTION, SEVERANCE PAYMENT AND NON-COMPETITION INDEMNITY

Groupe SEB's remuneration policy aims to attract and retain talented senior executives and managers. Groupe SEB's policy has always been to encourage internal promotion and sustainable management. The Board of Directors does not wish to see executives, after several years of service with Groupe SEB, deprived of benefits they would have continued to receive had they remained employees.

Continuation of the employment contract

Thierry de La Tour d'Artaise began his career with Groupe SEB in 1994 and was named Vice-Chairman of the Group in 1999 He was named Chairman and Chief Executive Officer in 2000. In accordance with changing governance practice, his employment contract was suspended in 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 Groupe SEB.

As for Bertrand Neuschwander, on 22 April 2014, the Board of Directors decided that the suspension of his employment contract was in line with the AFEP-MEDEF Code.

Pension commitment

The two corporate officers are members of the collective supplementary pension scheme which includes the Groupe SEB's french senior managers(members of the Executive and Management Committees).

The scheme complements the statutory schemes and is composed as follows:

- a defined benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration of the past three years;
- a defined benefit supplementary pension plan, under which beneficiaries are also subject to seniority and presence conditions. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated on the average of the target remuneration of the past three years and capped at 20 years seniority, i.e. a maximum 16% of the reference remuneration. A defined benefit collective scheme is available for top management, with a contribution equal to 8% of the salary. Pensions earned under this plan are deducted from the supplementary pension originating from the defined benefit supplementary pension plan.

To be eligible 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 scheme is capped at 41% of the reference remuneration (including the income from compulsory plans), this reference remuneration being itself capped at 36 times the annual social security ceiling in force at the time of the retirement.

As a result, the supplementary pension scheme for French top management (including the Chairman and CEO and the Chief Operating Officer) complies with AFEP-MEDEF Code 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 used: average of the last three yearly target remunerations;
- maximum of 41% including benefits from statutory schemes.

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.

In accordance with the applicable legislation concerning defined benefit plans, the entitlement to benefits is conditional upon the termination of the beneficiary's career within the company; in addition, the contributions cannot be customised. The supplementary and top-up plan expenses relating to Thierry de La Tour d'Artaise and Bertrand Neuschwander, recognised in the consolidated financial statements for 2014, amounts to €1,008,166.

Supplementary social protection

Corporate officers continue to have supplementary social protection, notably as regards death, disability and health insurance that covers the company's employees. In addition, they also benefit from an individual life insurance policy intented to cover part of the remuneration not covered by the collective insurance.

Severance and non-competition payments

Severance payment is subject to performance conditions and its amount cannot exceed 24 months of remuneration, in accordance with the recommendations of the AFEP-MEDEF Code (including in the case of Bertrand Neuschwander, where applicable, of an indemnity for his non-competition agreement and any other indemnity he may have).

Details related to these payments are described in the following section. Also, all benefits subject to the procedures set out for regulated agreements are described in the special report of the Statutory auditors.

2.4.3. Remuneration of the Chairman and Chief Executive Officer

FIXED COMPENSATION

In 2014, the fixed remuneration for Thierry de La Tour d'Artaise amounted to €850,000. This is unchanged from 2011.

VARIABLE COMPENSATION

The attainment of the quantitative criteria is measured in terms of Groupe SEB sales and operating result from activity.

The qualitative targets for Thierry de la Tour d'Artaise's individual performance were set by the Board of Directors at the beginning of the 2014 financial year and dealt with the management of Groupe SEB in an uncertain environment, evolution of the Groupe SEB organisation and upturn in economic growth.

The degree to which the targets are met is rigorously and precisely established 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.

The variable compensation paid in 2015 in respect of 2014 will be €1,002,660, or 117.96% of fixed compensation. This variable compensation reflects the degree to which the quantitative and qualitative targets defined by the Board of Directors at the start of the year were met.

Thierry de La Tour d'Artaise has no deferred or multi-year variable compensation and receives no other compensation from the company or other Groupe SEB companies.

This compares to €914,600 paid in 2014 in respect of 2013.

ATTENDANCE FEES

Thierry de La Tour d'Artaise will receive attendance fees as a member of the Board of Directors under the rules applicable to all its members. In 2014, as a director of the company, Thierry de la Tour d'Artaise received €24,000.

PERFORMANCE SHARES

In accordance with the authorisation granted by resolution 13 of the General Meeting of 15 May 2014, the Board of Directors, at its meeting held 22 July 2014, decided to award 18,000 performance shares to Thierry de La Tour d'Artaise in respect of 2014.

The shares granted to Thierry de La Tour d'Artaise under the 2014 performance share plan equate to 0.0359% of the share capital.

In addition, shares resulting from the exercise of options and bonus shares awarded to corporate officers and executives are subject to a holding period, in registered (name) form, during their term of office.

As regards Thierry de la Tour d'Artaise those rules are the following:

- 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 (fixed + target bonus).

BENEFITS IN KIND

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

LONG-TERM COMMITMENTS

Pension commitment

Thierry de La Tour d'Artaise is a member of the collective supplementary pension scheme set up for Groupe SEB's French senior managers (members of the Executive and Management Committees).

The various conditions of the retirement plan implie that, at the legal retirement age, Thierry de la Tour d'Artaise will be able to receive a gross replacement ratio (including statutory plans) of 34% of his reference remuneration.

Severance payment

Thierry de La Tour d'Artaise will not be entitled to any compensation in case of termination of his corporate mandate.

His employment contract, signed when he joined Groupe SEB in 1994 and last amended when he was appointed CEO of the company, 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. In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, 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 two years' remuneration (calculated on the average remuneration earned during the last two closed financial years), 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 the average percentage achieved is below 50%, no termination benefits shall be paid;
- if average actual performance represents 50% to 100% of the targets, the termination benefit will be comprised between 75% and 100%, according to linear calculation;
- 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 targets entitle the payment of termination benefits.

Thierry de La Tour d'Artaise's employment contract does not contain a non-competition clause.

Entitlement to stock-options in the event of termination:

In the event 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 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.

Retirement lump-sum payment

The total retirement lump-sum payment entitlement of Thierry de La Tour d'Artaise amounts to €452,831 due to his seniority.

2.4.4. Remuneration of the Chief Operating Officer

In accordance with Article L. 225-42-1 of the French Commercial Code, the Board of Directors determined the payments and benefits to which Bertrand Neuschwander would be entitled in his capacity as Chief Operating Officer, while respecting the rules pertaining to regulated agreements.

It should be noted that Bertrand Neuschwander received no indemnity or payment of any kind at the time he assumed his duties, in accordance with the policy of executive remuneration laid down by the Board of Directors.

FIXED COMPENSATION

At the time Bertrand Neuschwander was appointed, the Board of Directors' Meeting of 22 April 2014 set the amount of his yearly fixed remuneration at €500,000. This amount remains unchanged with respect to the 2015 financial year.

The remuneration due to him in his capacity as a corporate officer in 2014 was paid to him prorata temporis from the date of his appointment. Thus, for the 2014 financial year as a whole, including the amounts received in the year preceding his appointment as Chief Operating Officer, the total amount of his fixed remuneration was €472,000.

VARIABLE COMPENSATION

The attainment of the quantitative criteria is measured in terms of Groupe SEB sales and operating result from activity.

The qualitative targets for Bertrand Neuschwander's individual performance as set by the Board of Directors in early 2014 dealt with successfully taking on his new position with regard to his duties, his contribution to the management of the business in a sluggish environment and his undertaking of specific operating projects.

The degree to which the targets are met is rigorously and precisely established 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.

The variable remuneration paid in 2015 with respect to 2014 will be €326,122 or an objective attainment rate of 117.16% calculated on the period during which Bertrand Neuschwander acted as a corporate officer in 2014.

For the 2014 financial year as a whole, including the amounts received in the year preceding his appointment as Chief Operating Officer, the total amount of his variable remuneration was €412,915. He receives no deferred or multi-year remuneration arrangements and no other remuneration from the company or other Groupe SEB companies.

BENEFITS IN KIND

Bertrand Neuschwander has a company car, representing a benefit in kind of €6,935.

PERFORMANCE SHARES

In accordance with the authorisation granted by resolution 13 of the General Meeting of 15 May 2014, the Board, at its meeting of 22 July 2014, decided to award 9,000 performance shares to Bertrand Neuschwander in respect of 2014.

The 9,000 shares granted to Bertrand Neuschwander under the 2014 performance share plan equate to 0.0179% of the share capital.

In addition, shares resulting from the exercise of options and bonus shares awarded to corporate officers and executives are subject to a holding period, in registered (name) form, during their term of office.

As regards Bertrand Neuschwander those rules are the following:

- 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 performance shares, a quantity of shares corresponding to 20% of the net gain on acquisition, net of tax, statutory deductions and transaction fees.

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 (fixed + target bonus).

LONG-TERM COMMITMENTS

Pension commitment

Bertrand Neuschwander is a member of the collective supplementary pension scheme set up for Groupe SEB's French senior managers (members of the Executive and Management Committees).

The various conditions of the retirement plan mean that, at the legal retirement age, Bertrand Neuschwander will be able to receive a gross replacement ratio (including statutory plans) of 36% of his reference remuneration.

Severance payment

In the event of dismissal, he will be entitled to severance payment equal to two years' remuneration, minus the amounts paid under the non-competition clause and any termination benefits connected to the termination of the employment contract.

The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Bertrand Neuschwander received in his capacity as Chief Operating Officer.

The allowance, in accordance with Article L. 225-42-1 of the French Commercial Code, will be subject to performance conditions, measured in the following manner:

- if he is dismissed within four years of his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets over the last four years of service, as follows:
  - as corporate officer, for the period following his appointment and,
  - as a salaried employee, for the preceding period;
- if he is dismissed after four years from his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets, in said capacity, over the last four years of service;
- for both scenarios:
  - if the average percentage achieved is below 50%: no termination benefits shall be paid,
  - if the average percentage falls between 50% and 100%: the termination benefit will be between 75% to 100%, calculated with the linear method,
  - if average actual performance exceeds the targets, the termination benefit will be paid in full.

Furthermore, the severance allowance shall only be paid in the event of involuntary termination and remains capped at two years of remuneration (fixed and variable received), including the non-compete clause and any contractual indemnity for dismissal.

Non-competition agreement

Pursuant to the non-compete agreement, in case of termination of his mandate as Chief Operating Officer, through removal or resignation, he shall be prohibited for a one-year period, renewable once, from working in any manner with a competitor of Groupe SEB.

In consideration of this non-competition clause and for its entire duration, Bertrand Neuschwander will receive a monthly non-competition payment amounting to 50% of his monthly average fixed and variable remuneration paid over his last 12 months of service within the Group.

The Board of Directors may release Bertrand Neuschwander from this non-competition clause.

This non-competition agreement and the terms of severance detailed above were approved by the Board of Directors on 22 April 2014. They were also disclosed as part of the permanent information related to compensation and benefits. Furthermore, it will be submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.

Retirement lump-sum payment

The total retirement lump-sum payment entitlement of Bertrand Neuschwander amounts to €74,337 due to his seniority.

Table 1 – Remuneration, stock options and shares allocated to the executive corporate officers

THIERRY DE LA TOUR D'ARTAISE – CHAIRMAN AND CHIEF EXECUTIVE OFFICER

	2013	2014
Remuneration due for the year (details in table 2)	€1,811,324	€1,899,348
Valuation of stock options allocated during the year (details in table 4) *	€0	0 €
Valuation of performance-related shares allocated during the year (details in table 6) *	€907,560	€1,013,760
TOTAL	**€2,718,884**	**€2,913,144**

BERTRAND NEUSCHWANDER – CHIEF OPERATING OFFICER (APPOINTED 22 APRIL 2014)

	2013	2014
Remuneration due for the year (details in table 2)	€0	€678,328
Valuation of stock options allocated during the year (details in table 4) *	€0	€0
Valuation of performance-related shares allocated during the year (details in table 6) *	€0	€506,880
TOTAL	**€0**	**€1,185,208**

* *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.*

Table 2 – Summary of remuneration for executive corporate officers

THIERRY DE LA TOUR D'ARTAISE – CHAIRMAN AND CHIEF EXECUTIVE OFFICER

	Amounts in respect of 2013		Amounts in respect of 2014	
	Due	Paid	Due	Paid
Fixed remuneration	€850,000	€850,000	€850,000	€850,000
Variable component	€914,600	€800,000	€1,002,660	€914,600
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	**€1,811,324**	**€1,696,724**	**€1,899,384**	**€1,811,324**

BERTRAND NEUSCWHANDER – CHIEF OPERATING OFFICER (APPOINTED 22 APRIL 2014)

	Amounts in respect of 2013		Amounts in respect of 2014 *	
	Due	Paid	Due	Paid
Fixed remuneration	none	none	€347,000	€347,000
Variable component	none	none	€326,122	none
Exceptional remuneration	none	none	none	none
Directors' fees	none	none	none	none
Benefits in kind:				
• car allowance	none	none	5,206	€5,206
TOTAL	**NONE**	**NONE**	**€678,328**	**€352,206**

* *Amounts shown refer solely to the period since he was appointed as a corporate officer.*

Table 3 – Attendance fees and other remuneration received by corporate officers (gross amount before tax withholding)

Board members	Attendance fees paid in 2013	Attendance fees paid in 2014
Thierry de La Tour d'Artaise	24,000	24,000
Tristan Boiteux	24,000	24,000
Sarah Chauleur	N/A	24,000
Yseulys Costes	N/A	24,000
Norbert Dentressangle	34,000	29,933
FÉDÉRACTIVE (Pascal Girardot)	34,000	34,000
Hubert Fèvre	34,000	34,000
FFP (Christian Peugeot)	24,000	21,600
Jacques Gairard	24,000	24,000
Jean-Noël Labroue	39,000	39,000
Philippe Lenain	49,000	44,200
Cédric Lescure	24,000	24,000
Catherine Pourre	N/A	4,800
Laure Thomas	24,000	24,000
VENELLE INVESTISSEMENT (Damarys Braida)	34,000	34,000
Jérôme Wittlin	34,000	31,600
TOTAL	**450,000**	**441,133**

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Table 4 – Stock option allocation for share subscription or purchase to executive corporate officers in 2014

No options were allocated in 2014.

	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	N/A	N/A	N/A	N/A	N/A
Bertrand Neuschwander	N/A	N/A	N/A	N/A	N/A	N/A

Table 5 – Stock options exercised by the executive corporate officers in 2014

	Date of the plan	Number of stock options exercised during the year	Exercise price	Year allocated
Thierry de La Tour d'Artaise	20/04/2007	55,000	44.00	2007
Thierry de La Tour d'Artaise	13/05/2008	105,000	38.35	2008
Bertrand Neuschwander	N/A	N/A	N/A	N/A

Table 6 – Performance shares allocated to the executive corporate officers in 2014

	Date of the plan	Number of shares granted	Share valuation	Vesting date	Availability date	Performance conditions
Thierry de La Tour d'Artaise	22/07/2014	18,000	56.32	22/07/2017	22/07/2019	Achievement of sales and ORA targets
Bertrand Neuschwander	22/07/2014	9,000	56.32	23/07/2017	22/07/2019	Achievement of sales and ORA targets

Table 7 – Performance shares available during 2014 for the executive corporate officers

No performance shares became available in 2014.

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

Table 8 – History of stock option allocation for share subscriptions or purchases to the executive corporate officers

It is specified that Bertrand Neuschwander has not been allocated any stock options since his appointment as Chief Operating Officer.

HISTORY OF STOCK OPTION ALLOCATION FOR SHARE SUBSCRIPTION OR PURCHASE TO THE EXECUTIVE CORPORATE OFFICERS

At 31 December 2014	Subscription plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
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	14/06/2001	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	14/06/2005	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 options exercised by T. de la Tour d'Artaise [(a)]	66,000	49,500	6,600	115,516	104,989	105,000
Number of options cancelled [(a)]	0	0	0	0	0	0
Balance of stock options remaining to be exercised at 31/12/2014 [(a)]	0	0	0	0	0	0

At 31 December 2014	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
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

(a) Takes into account the bonus allocation of shares in March 2004 (one for ten) and the three-way split on 1 June 2008.

At 31 December 2014	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
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 options exercised by T. de la Tour d'Artaise (a)	105,012	105,000	105,000	45,000	0	0
Number of options cancelled (a)	0	0	0	0	0	0
Balance of stock options remaining to be exercised at 31/12/2014	0	0	0	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 1 June 2008.*

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Table 9 – History of performance share allocation to the executive corporate officers

At 31 December 2014					
Date of AGM	13/05/2009	12/05/2010	10/05/2012	14/05/2013	14/05/2014
Date of Board of Directors' Meeting	12/06/2009	18/06/2010	15/06/2012	23/07/2013	23/07/2014
Number of shares allocated:	50,472	58,363	63,938	233,475	
Of which to corporate officers	5,938	4,995	4,500	18,000	27,000
• Chief Executive Officer	5,938	4,995	4,500	18,000	18,000
• Chief Operating Officer	N/A	N/A	N/A	N/A	9,000
Performance conditions	Sales and ORA	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	22/07/2014
Vesting date	12/06/2011	18/06/2012	15/06/2014	23/07/2015	22/07/2017
Number of vested shares acquired by executive corporate officers					
• Chairman and Chief Executive Officer	5,938	4,395	0	0	0
• Chief Operating Officer	N/A	N/A	N/A	N/A	N/A
Expiry of lock-up period	12/06/2013	18/06/2014	15/06/2016	23/07/2017	22/07/2019
Number of cancelled or lapsed shares	0	600	0	0	0
Balance of shares remaining to be granted	0	0	4,500	18,000	27,000

Table 10 – Summary of remuneration for the executive corporate officers

	Employment contract		Complementary pension scheme		Indemnities or benefits due or likely to be due subsequent to the termination or modification of functions		Indemnity due to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Thierry de La Tour d'Artaise	suspended *		x		x			x
Bertrand Neuschwander	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.*

** *On 22 April 2014, the Board of Directors considered that the suspension of the employment contract of Bertrand Neuschwander complied with the provisions of the AFEP-MEDEF Code.*

REMUNERATION DUE OR ALLOCATED TO CORPORATE OFFICERS IN RESPECT OF THE YEAR ENDED 31/12/2014

Remuneration items for the Chairman and Chief Executive Officer submitted for the approval of shareholders

Remuneration due or allocated in respect of the year ended 31/12/2014

	Amounts or carrying amount submitted for approval	Presentation
Fixed remuneration	€850,000	Gross fixed remuneration of €850,000 in respect of 2014 decided by the Board on 25 February 2014 on the recommendation of the Nominations and Remuneration Committee. The amount has been unchanged since 2011 and remains unchanged for 2015.
Annual variable remuneration	€1,002,660	The quantitative portion linked to the economic performance of Groupe SEB is measured with respect to sales targets and operating result from activity and represents 60% of the variable compensation. The qualitative portion linked to individual performance is measured with respect to specific strategic targets, includes an overall assessment of the management team's performance and represents 40% of the variable compensation. The variable portion amount is calculated on the basis of the annual fixed compensation of the reference year and represents a targeted 100% achievement by the Chairman and Chief Executive Officer of his targets for the year. The variable component can account for a maximum of 150% of the annual fixed remuneration. The quantitative and qualitative performance criteria are discussed and then proposed by the Nominations and Remuneration Committee and finalised by the Board of Directors at the start of the financial year, during the review of the preceding year's financial statements and the coming years budget, and are in line with Groupe SEB's strategic priorities. The achievement of the quantitative criteria is measured with respect to Groupe SEB sales and operating result from activity. The qualitative targets deal with his management of Groupe SEB in anuncertain environment, evolution of the Groupe SEB organisation and upturn in economic growth. The degree to which the targets are met is rigorously and precisely established 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. The variable remuneration paid in 2015 in respect of 2014 will be €1,002,660, or 117.96% of fixed compensation. This variable compensation reflects the degree to which the quantitative and qualitative targets defined by the Board of Directors at the start of the year were met.
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 31/12/2014

	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 = €1,013,760	In accordance with the authorisation granted by resolution 13 of the General Meeting of 15 May 2014, the Board of Directors decided to award 18,000 performance shares to Thierry de La Tour d'Artaise in respect of 2014 (Board of Directors decision of 22 July 2014). The shares granted to Thierry de La Tour d'Artaise under the 2014 performance share plan equate to 0.0359% of the share capital. 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 targets on sales and operating result from activity. The performance calculation depends on the achievement of the provided targets linked to sales and operating results from activity 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 in proportion to the targets achieved. • If less than 50% of the targets is achieved, no performance shares will be granted. The award of performance shares has no dilutive effect on earnings as all shares granted are existing shares bought back by the company. As recommended by the AFEP-MEDEF Code, the Board of Directors makes the awards at the same calendar period each year. In addition, shares resulting from the exercise of stock options and free shares allocated to Thierry de La Tour d'Artaise will be subject to a holding period, in registered (name) form, during its term of office, equal to 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 (fixed + target bonus). Furthermore, all recipients of stock options and/or performance shares receive an internal directive put out each year for the following yearly reporting period, defining the blackout periods in accordance with the recommendations of the French Markets Authority as regards to the company's accounting calendar, particularly the announcement of results. This memo also reminds its recipients of the rules regarding the use of information deemed privileged by stock market regulations. Furthermore, 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.
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 €452,831.
Directors' fees	€24,000	Thierry de La Tour d'Artaise will receive attendance fees as a member of the Board of Directors under the rules applicable to all its members. In 2014, as a director of the company, Thierry de la Tour d'Artaise received €24,000.
Value of benefits in kind	€22,724	Thierry de La Tour d'Artaise has a company car, representing a benefit of €7,524 for the year, and receives €15,200 per year for the use of an apartment in Paris.

Remuneration due or allocated in respect of the year ended 31/12/2014

	Amounts or carrying amount submitted for approval	Presentation
Severance pay and the holding period on stock options in the event of severance	None	Thierry de La Tour d'Artaise will not be entitled to any compensation in case of termination of his corporate mandate. His employment contract, concluded when he joined Groupe SEB in 1994 and last amended when he was appointed CEO of the company, was suspended on 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. In accordance with the provisions of Article L. 225-42-1 of the Commercial Code, 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 two years' remuneration (calculated on the average remuneration earned during the last two closed financial years), 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 percentage achieved is below 50%: no termination benefits shall be paid; • if average actual performance represents 50% to 100% of the targets, the termination benefit will be comprised between 75% and 100%, according to linear calculation; • 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 targets entitle the payment of termination benefits. Thierry de La Tour d'Artaise's employment contract does not contain a non-competition clause. Entitlement to stock-options in the event of termination: 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. The entire scheme (benefits and maintenance of stock options) was approved by the Annual General Meeting of 4 May 2007 and then renewed on 13 May 2009 (performance criteria) and 10 May 2012 (term renewal).
Non-compete payments	N/A	Thierry de La Tour d'Artaise has no non-compete clause.

Remuneration due or allocated in respect of the year ended 31/12/2014

	Amounts or carrying amount submitted for approval	Presentation
Complementary pension scheme	None	Thierry de La Tour d'Artaise is a member of the collective supplementary pension scheme set up for Groupe SEB's French senior managers (members of the Executive and Management Committees). The various conditions of the retirement plan implies that, at the legal retirement age, Thierry de la Tour d'Artaise will be able to receive a gross replacement ratio (including statutory plans) of 32% of his reference remuneration. 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 and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration of the past three years; • a defined benefit supplementary pension plan, under which beneficiaries are also subject to seniority and presence conditions. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated on the average of the target remuneration of the past three years and capped at 20 years seniority, i.e. a maximum 16% of the reference remuneration. There is a collective defined-contribution plan for executives, which calls for contributions of 8% of salary (or €12,015 with respect to 2014). The income to which this plan entitles the contributor is subtracted from the supplementary pension from the top-up defined-benefit plan. To be eligible 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 scheme is capped at 41% of the reference remuneration (including the income from compulsory plans), this reference remuneration being itself capped at 36 times the annual social security ceiling in force at the time of the retirement. As a result, the supplementary pension scheme for French top management (including the Chairman-CEO and the COO) 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: vesting based on seniority up to a maximum of 3.925% annually and capped after 20 years' seniority; • reference period used: average of the last three yearly target remunerations; • maximum of 41% including benefits from statutory schemes. 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. In accordance with the procedure for regulated agreements and commitments, the first draft of this commitment was approved by shareholders at the General Meeting of 4 May 2007, with the current draft approved by the General Meeting of 13 May 2008. The capping of the reference salary was approved by shareholders at the General Meeting held on 12 May 2010 (4th resolution).
Individual life insurance policy	None	In addition to the Group death, disability and related benefit insurance plan, Thierry de La Tour d'Artaise also beneifits from an individual life insurance policy with a capital amounting to €3,652,134. The expense recorded over the year ended 31 December 2014 amounts to €52,802. In accordance with the procedure provided for related parties agreements, this commitment was approved by shareholders at the General Meeting of 13 May 2008 (4th resolution).

Remuneration items for the Chief Operating Officer submitted for the approval of shareholders

Remuneration due or allocated in respect of the year ended 31/12/2014

	Amounts or carrying amount submitted for approval	Presentation
Fixed remuneration	€347,000	At the time Bertrand Neuschwander was appointed, the Board of Directors meeting of 22 April 2014 set the amount of his yearly fixed remuneration at €500,000. This amount remains unchanged with respect to the 2015 financial year. The remuneration due to him in his capacity as a corporate Officer in 2014 was paid to him prorata temporis from the date of his appointment, and was €347,000. Thus, for the 2014 financial year as a whole, including the amounts received in the year preceding his appointment as Chief Operating Officer, the total amount of his fixed remuneration was €472,000.
Annual variable remuneration	€326,122	The quantitative portion linked to the economic performance of Groupe SEB is measured with respect to sales targets and operating result from activity and represents 60% of the variable compensationThe qualitative portion linked to individual performance is measured with respect to specific strategic targets, includes an overall assessment of the management team's performance and represents 40% of the variable compensation. The amount of variable remuneration is calculated from the annual fixed compensation of the reference year and represents a targeted 80% achievement by the Chief Operating Officer of his targets for the year. The variable component can account for no more than 125% of the annual fixed remuneration. The quantitative and qualitative performance criteria are discussed and then proposed by the Nominations and Remuneration Committee and finalised by the Board of Directors at the start of the financial year, during the review of the preceding year's financial statements and the coming years budget, and are aligned with Groupe SEB's strategic priorities. The attainment of the quantitative criteria is measured in terms of Groupe SEB sales and operating result from activity. The qualitative targets dealt with successfully taking on his new position with regard to his duties, his contribution to the management of the business in a sluggish environment and his undertaking of specific operating projects. The degree to which the targets are met is 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. The variable remuneration paid in 2015 with respect to 2014 will be €326,122 or an objective attainment rate of 117.16% calculated on the period during which Bertrand Neuschwander acted as a corporate officer in 2014. For the 2014 financial year as a whole, including the amounts received in the year preceding his appointment as Chief Operating Officer, the total amount of his variable remuneration was €412,915.
Deferred variable remuneration	N/A	N/A Bertrand Neuschwander receives no deferred variable remuneration.
Multiyear variable remuneration	N/A	N/A Bertrand Neuschwander receives no multiyear variable remuneration.
Exceptional remuneration	N/A	N/A Bertrand Neuschwander receives no exceptional variable remuneration.

Remuneration due or allocated in respect of the year ended 31/12/2014

	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 = €506,880	In accordance with the authorisation granted by resolution 13 of the General Meeting of 15 May 2014, the Board of Director decided to award 9,000 performance shares to Bertrand Neuschwander in respect of 2014 (Board of Directors decision of 22 July 2014). The 9,000 shares granted to Bertrand Neuschwander under the 2014 performance share plan equate to 0.0179% of the share capital. The Board of Directors decided that all performance shares allocated to Bertrand Neuschwander 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. The award of performance shares has no dilutive effect on earnings as all shares granted are existing shares bought back by the Company. As recommended by the AFEP-MEDEF Code, the Board of Directors makes the awards at the same calendar period each year. In addition, shares resulting from the exercise of options and bonus shares awarded to corporate officers and executives are subject to a holding period, in registered (name) form, while they continue in their positions. As regards Bertrand Neuschwander those rules are the following: • 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 performance shares, a quantity of shares corresponding to 20% of the net gain on acquisition, net of tax, statutory deductions and transaction fees. 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 (fixed + target bonus). Furthermore, all recipients of stock options and/or performance shares receive an internal directive put out each year for the following yearly reporting period, defining the blackout periods in accordance with the recommendations of the French Markets Authority in terms of the Company's accounting calendar, particularly the announcement of earnings. This memo also reminds its recipients of the rules regarding the use of information deemed privileged by stock market regulations. Furthermore, 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.
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 Bertrand Neuschwander amounts to €74,337.
Directors' fees	N/A	N/A
Value of benefits in kind	€6,935	Bertrand Neuschwander has a company car, representing a benefit in kind of €6,935 since his appointment as a corporate officer. Thus, for the 2014 financial year as a whole, including the year preceding his appointment as Chief Operating Officer, the total value of his benefits of all kinds was €7,135.

Remuneration due or allocated in respect of the year ended which were voted on at the General Meeting under the procedure for regulated agreements and commitments

	Amounts submitted for approval	Presentation
Payment for undertaking duties	N/A	N/A It should be noted that Bertrand Neuschwander received no indemnity or payment of any kind at the time he assumed his duties, in accordance with the policy of executive remuneration laid down by the Board of Directors.

Severance pay and the holding period on stock options in the event of severance	None	In the event of dismissal, he will be entitled to severance payment equal to two years' remuneration, minus the amounts paid under the non-competition clause and any redundancy benefits connected to the termination of the employment contract (it being specified that this employment contract does not contain any termination benefit or non-compete clauses).
		The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Bertrand Neuschwander received in his capacity as Chief Operating Officer.
		The allowance, in accordance with Article L. 225 225-42-1 of the French Commercial Code, will be subject to performance conditions, measured in the following manner:
		• if he is dismissed within four years of his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets over the last four years of service, as follows:
		  • as corporate officer, for the period following his appointment and,
		  • as a salaried employee, for the preceding period.
		• if he is dismissed after four years from his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets, in said capacity, over the last four years of service.
		• For both scenarios,
		  • if the average percentage achieved is below 50%: no termination benefits shall be paid,
		  • if the average percentage falls between 50% and 100%: the termination benefit will be between 75% to 100%, calculated with the linear method,
		  • if average actual performance exceeds the targets, the termination benefit will be paid in full.
		Furthermore, the severance allowance shall only be paid in the event of involuntary termination and remains capped at two years of remuneration (fixed and variable received), including the non-compete clause and any contractual indemnity for dismissal.
		This agreement, was approved by the Board of Directors on 22 April 2014 and disclosed as part of the permanent information related to compensation and benefits.. In addition, it will be submitted to the approval of the shareholders at the General Meeting on 12 May 2015, in accordance with the procedureprovided for related-party agreements.

Non-compete payments	N/A	Pursuant to the non-compete agreement, in case of termination of his mandate as Chief Operating Officer, through removal or resignation, he shall be prohibited for a one-year period , renewable once, from working in any manner with a competitor of Groupe SEB. In consideration of this non-competition clause and for its entire duration, Bertrand Neuschwander will receive a monthly non-competition payment amounting to 50% of his monthly average fixed and variable remuneration paid over his last 12 months of service within the Group. The Board of Directors may release Bertrand Neuschwander from this non-competition clause. This non-competition agreement and the terms of severance detailed above were approved by the Board of Directors on 22 April 2014. They were also disclosed as part of the permanent information related to compensation and benefits. Furthermore, it will be submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedure provided for related-party agreements.

Remuneration due or allocated in respect of the year ended which were voted on at the General Meeting under the procedure for regulated agreements and commitments

	Amounts submitted for approval	Presentation
Complementary pension scheme	None	Bertrand Neuschwander is a member of the collective supplementary pension scheme set up for Groupe SEB's French senior managers (members of the Executive and Management Committees). The various conditions of the retirement plan mean that, at the legal retirement age, Bertrand Neuschwander will be able to receive a gross replacement ratio (including statutory plans) of 36% of his reference remuneration. 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 and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration of the past three years; • a defined benefit supplementary pension plan, under which beneficiaries are also subject to seniority and presence conditions. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated on the average of the target remuneration of the past three years and capped at 20 years seniority, i.e. a maximum 16% of the reference remuneration. A defined benefit collective scheme is available for top management, with a contribution equal to 8% of the salary (or €12.015 with respect to 2014). Pensions earned under this plan are deducted from the supplementary pension originating from the defined benefit supplementary pension plan. To be eligible 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 scheme is capped at 41% of the reference remuneration (including the income from compulsory plans), this reference remuneration being itself capped at 36 times the annual social security ceiling in force at the time of the retirement. As a result, the supplementary pension scheme for French top management (including the Chairman and CEO and the Chief Operating Officer) complies with AFEP-MEDEF Code 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 used: average of the last three yearly target remunerations; • maximum of 41% including benefits from statutory schemes. 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. This agreement, was approved by the Board of Directors on 22 April 2014 and disclosed as part of the permanent information related to compensation and benefits. In addition, it will be submitted to the approval of the shareholders at the General Meeting on 12 May 2015, in accordance with the procedureprovided for related-party agreements.
Individual life insurance policy	None	In addition to the Group death, disability and related benefit insurance plan, Bertrand Neuschwander is the beneficiary of an individual life insurance policy with a capital amouting to €942,581. The expense recorded over the year ended 31 December 2014 amounts to €2,571. This agreement, was approved by the Board of Directors on 22 April 2014 and disclosed as part of the permanent information related to compensation and benefits.. In addition, it will be submitted to the approval of the shareholders at the General Meeting on 12 May 2015, in accordance with the procedureprovided for related-party agreements.

TRANSACTIONS CONDUCTED BY DIRECTORS AND SENIOR EXECUTIVES IN SEB SHARES (ARTICLE L. 621-18-2 OF THE MONETARY AND FINANCIAL CODE) DURING 2014

Identity	Function	Number of shares bought or subscribed	Average acquisition price	Number of shares sold	Average sale price
People linked to Damary Braida	Director	7,300	€61.5796		
Thierry de La Tour d'Artaise	Chairman and Chief Executive Officer	181,922	€38.8170		
Hubert Fèvre	Director			134,226	€55.5631
Persons linked to Hubert Fèvre	Director	314,600	€60.0000		
People linked to Jacques Gairard	Director			3,000	€63.3797

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 purpose of this report is to describe the internal control procedures adopted by Groupe SEB for the year ended 31 December 2014.

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 24 February 2015.

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.

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: "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 assessment

The risk analysis process is based on two key procedures:

- an annual top-down review and analysis of the main risks. In 2014, 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. In 2014 this process was supplemented by mapping of the risks related to some of the operating entities, to the information system and, in a targeted way, to fraud in the sales subsidiaries;
- 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 entity, i.e.:

- 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 2014, the members of the Executive Committees of the sales subsidiaries were trained in internal control with special emphasis on their particular role in the internal control system.

The mechanism for identifying attempts at fraud was activated a half dozen times. No significant fraud was discovered. 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.

Monitoring 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 2014, the Internal Audit department carried out assignments at 9 market companies representing 14% of the Group's sales, and at 5 plants, representing 27% of the Group's internal production, and it carried out 11 consulting assignments to improve different organisations and processes. The action plans of 18 entities that came out of previous assignments were reviewed. In total, the Audit and Organisation department dealt with 37 entities (out of 71 in Groupe SEB that could be audited) either through a mission or a review of a previous mission.

Internal control key players

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

The role of these bodies is described in the "Composition, organisation and operation of the Board of Directors" section, pages 37 to 42.

THE GROUP EXECUTIVE COMMITTEE AND GROUP MANAGEMENT BOARD

Their role is described in the "Group Management Bodies" section, page 43.

THE 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 the Group's 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 a continuous improvement of the company's internal control and 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, 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 2014, the Internal Audit department comprised 11 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 the following 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, etc.);
- it manages litigation in France and abroad;
- 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 centralises the management of its insurance programmes. Worldwide cover is arranged in partnership with leading insurance company 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 2014, 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.

With this in mind, the Management Control department 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. Twice a year (June and September), a comprehensive forecast is drawn up. Improvement plans are developed, if necessary, based on this outlook. Partial re-projections are made throughout the year,

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 applications 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 include scrutiny of IT security risk areas, and analysis of 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 three 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 COMMUNICATION 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 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. 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 Strategic business areas, Continental Structures and Corporate Support Functions. They are validated by the latter and by the Group Executive Committee. The presentations made from them and used throughout the year at meetings, road shows or telephone conferencing with financial analysts, portfolio managers or individual shareholders are created to be consistent with press releases and are approved by senior management.

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 2014

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 2014.

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 fi nancial 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 specifi ed 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 fi nancial and accounting information that we may have identifi ed 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 fi nancial 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, 11 March 2015

The Statutory auditors

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

CORPORATE SOCIAL RESPONSIBILITY

3.1. COMMITMENT AND MANAGEMENT

Commitment at the highest level

For a great many years, Groupe SEB has been committed to an approach, submitted to the Board of Directors, that strives to be ethical, economically profitable, socially fair and ecologically responsible. Indeed, since 2013, corporate social responsibility has been one of the duties of the Nominations and Remuneration Committee, and the Board of Directors devoted an agenda item at its 2014 year-end meeting to reviewing the Group's sustainable development policies.

Management groups and methods

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 in response to the Group's five priority sustainable development challenges.

A three-year **roadmap** devised from these five challenges is presented on page 74 of this document. It can be found in complete form on the Groupe SEB website under the heading "Sustainable development". The multiplicity of international projects, including the 2012/2013 code of ethics, is managed locally by a network of CSR correspondents from the HR department.

An open-minded approach

Paying close attention to the Group's "ecosystem", in 2013 the Sustainable Development department began an annual series of day-long discussions with a **panel of the Group's stakeholders**, to gather their opinions and suggestions about its sustainable development policy. This panel comprises eight external international experts (environmental NGOs, sociologist working on alternative consumption, professor in corporate governance, eco-design expert, CSR specialist in China, etc.) plus an employee representative from the Group's European Committee. In 2013 this meeting with members of the Sustainable Development Steering Committee resulted in, among other things, adjustments being made to the eco-design guide then being finalised. In 2014 the discussion dealt with the responsible value chain, with the participation of members of the Group's Executive Committee. Areas for improvement were also identified, especially as to taking sustainable development into consideration in the brands and consumer information to help consumers with more responsible eating and more sustainable lifestyles.

Employee awareness raising

The Group has produced several communication tools to increase employees' awareness of sustainability issues. The Group's intranet has a tab devoted to this subject, and numerous news items are published throughout the year (telex on the intranet, articles in local newspaper, etc.). Every year, the sustainable development week is a special opportunity to enlist the employees, through various activities organised in our sites worldwide. Finally, many training programs include specific modules on the company's ethics and corporate social and environmental responsibility.

Internal audit and sustainable development

In 2013 the Audit and Organisation department included the code of ethics and the Responsible Procurement Charter in the internal control manual used in auditing the subsidiaries. This has led to strong controls on the ethical, social and environmental aspects of all the Group's processes. 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. Furthermore, when studies are done prior to company acquisitions, the Strategy department looks over social and environmental issues with a matrix of questions inspired by the HRCA (Human Rights Compliance Assessment) Quick Check, among others.

External verification of data

A pioneer in this regard since 2011 Groupe SEB had 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. 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 and 2014 (see details on the reporting process on page 76 and the PricewaterhouseCoopers Audit's report for 2014 on page 103).

Extra-financial recognition

Several organisations active in socially responsible investment (SRI) have included Groupe SEB in their indices. This is the case with Vigeo (the Europe 120 and Eurzone 120 indices), Forum Ethibel (their Pioneer and Excellence classifications) and EthiFinance (the Gaia Index). In 2014 the latter placed the Group in its Top Five in the Gaïa Index for industrial companies.

3.2. STAKEHOLDERS

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 Assessment interviews, employee survey (*Great Place to Work*), local newspaper, leaflets on a range of topics (code of ethics, Values and management practices, etc.).
Future employees	Website, careers site, social networks, school forums, outreach meetings etc.
Employee representatives Employee representative bodies	Labour relations agenda, staff-management dialogue bodies, dedicated intranet, signature of collective agreements, etc.
Consumers	Group and brands websites, social networks, Groupe SEB TV, media and non-media communications, 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, regulatory compliance via the EcoMundo platform, CSR audits, etc.
Public authorities	Participation in working groups, conferences, partnerships/local projects, public/private research partnerships, competitiveness clusters, etc.
Shareholders	Business and sustainable development report, Registration Document, Letter to shareholders, website, webzine, General Meeting, information meetings, etc.
Trade receivables Distributors	Code of ethics, sales meetings, partnerships and multiyear action plans, etc.
Academia	Website, careers site, social networks, 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.

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:

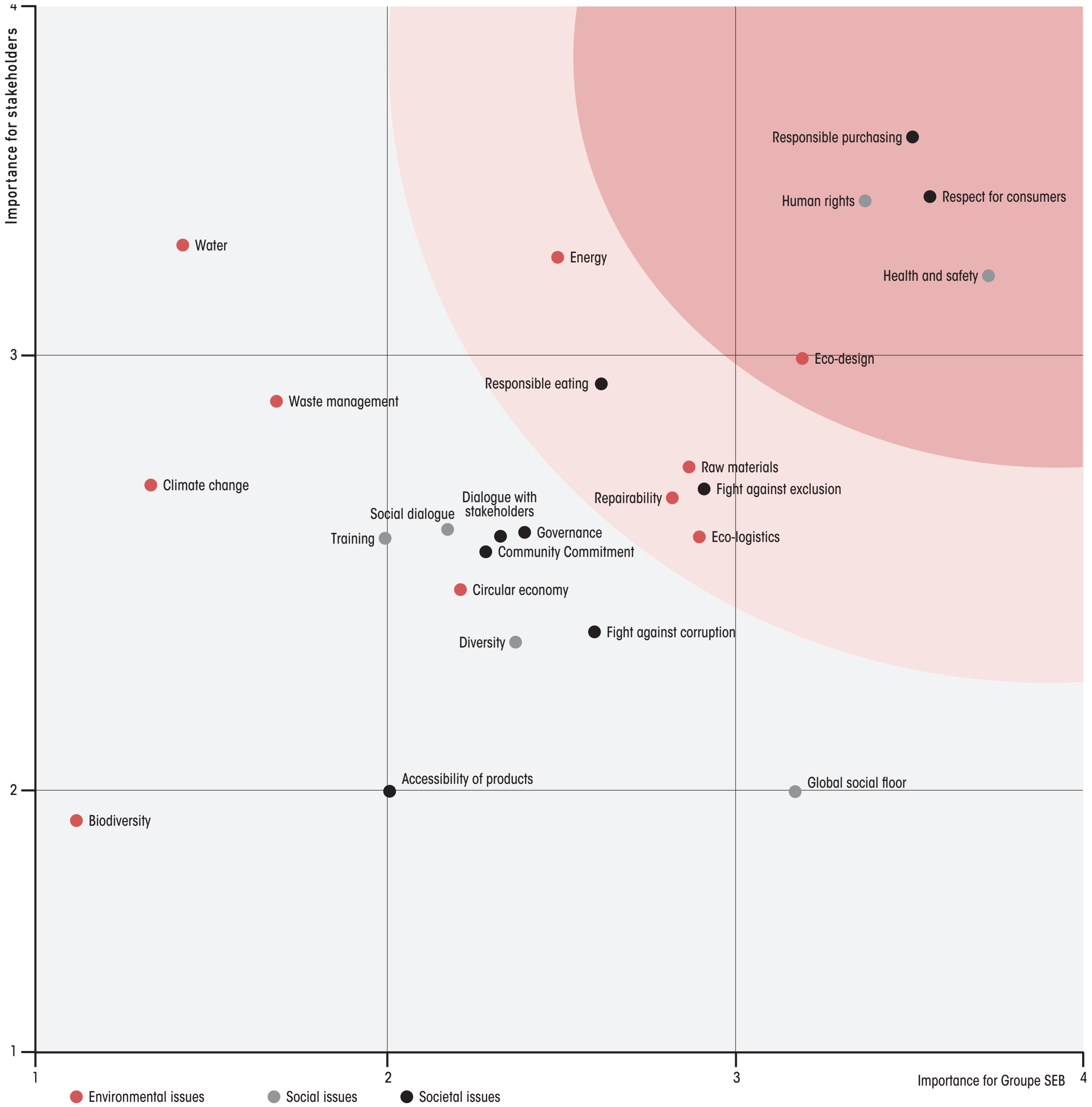
- externally: by consulting Groupe SEB's external stakeholders panel, taking into account comments from non-financial rating agencies, questioning sustainable development Auditors;
- in-house: questioning the Sustainable Development Steering Committee and taking into account the Group's strategy.

The materiality matrix highlights five main sustainable development challenges for Groupe SEB:

- respect for consumers: product quality, 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;
- respect for 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



3.3. CHALLENGES AND ROADMAP

To track Groupe SEB's progress in the five sustainable development challenges, the Sustainable Development department works with each business line to establish a specific roadmap. The roadmap spells out the major accomplishments of the year and sets the objectives for the year to come. It can be found in complete form on the Groupe SEB website.

	Priority	2014	Next steps
Compliance with ethical principles	***Formalise, oversee and monitor the Group's sustainable development policy***	Organise a second panel of outside stakeholders for dialogue with the Sustainable Development Steering Committee on the subject of the responsible value chain Present the sustainable development challenges to the Board of Directors Integrate sustainable development into the mission of the Nominations and Remuneration Committee	2015: third meeting with a panel of external stakeholders 2015: design a sustainable development barometer
	Include the employees in the Group's ethical approach	Human Rights: follow up on the action plans carried out in the HRCA [(a)] and CBSSC [(b)] campaigns conducted in 2013	2015: give yearly presentation of ethics alerts to the Audit Committee 2015: benchmark the tools available to assess the Group's performance in terms of Human Rights, and discuss the most effective tools
	Promote responsible purchasing all along the value chain and involve our suppliers	153 ethical, social and environmental audits of suppliers, 90% of which were handled by SGS Dissemination of the Charter of ethical, social and environmental audits to the suppliers audited Map the CSR challenges onto 16 purchasing groupings of Groupe SEB Launch 17 pilot projects to combine social and environmental clauses in calls for tenders	2015: 150 ethical, social and environmental audits conducted during the year in order to audit all raw materials, components and finished products suppliers on the panel at least once every 4 years 2015-2016: train suppliers in Groupe SEB's expectations at the time of the ethical, social and environmental audits 2015-2016: follow up the action plan defined following the mapping of CSR challenges in the major purchasing groupings and the gradual implementation of the social and environmental clauses in the calls for tenders in France
Responsible employment policy	***Actively prevent risks to workplace health and safety***	OHSAS 18001 Certification of Imusa's Colombian sites LTIR France: 7.4 LTIR Worldwide: 2.8 Roll-out the Safety in SEB programme globally: • define the five unbreakable rules for industrial and logistical entities • make the Flash Safety Vigilance tool international	2015: 100% of industrial and logistical entities OHSAS 18001 certified (excl. Groupe SEB India) 2015: LTIR objective worldwide = 2.4 (excl. Groupe SEB India) and LTIR France = 6.5 2015-2016: continue to roll out the *Safety in SEB* programme globally
	Increase diversity and prevent any form of discrimination	Train the local Diversity Committees (by ISM Corum) in diversity indicators Awareness booklet on disability for employees and managers (France) Include a diversity clause in the specifications for recruitment firms and temporary employment agencies (France)	2015-2016: create an in-house network to promote gender equality 2015-2017: increase the number of female managers in Groupe SEB (including in key positions)
	Respect freedom of association and encourage staff-management dialogue	Put action plans in place following the Great Place to Work employee survey and conduct the third edition of it 114 collective agreements signed worldwide	2017: extend death cover to all employees and improve health cover
	Train employees and develop their skills	2.90% of wage bill allocated to training, excluding Supor; 2.56% with Supor Excluding Supor, almost 70% of Group employees benefited from at least one training session in 2014 276 employees in France assisted through a programme to manage their employability	2015-2016: 20% of the total training budget devoted to training to increase the employability of low-skilled workers (France) 2015: 70% of employees globally having at least one training course (excl. Supor)

	Priority	2014	Next steps
Corporate	***Develop the Group's policy on sponsorship activities***	Continue international expansion projects supported by the Foundation (Brazil, Vietnam, Colombia, etc.) First week of enlisting employees Europe-wide with the Babyloan Challenge as the main theme (a programme whereby employees sponsor micro-entrepreneurs with loans)	2015-2016: continue the international expansion of sponsorship activities 2015-2016: launch CSR programmes with employee and consumer involvement
Consumer expectations	***Offer our consumers and customers the best products and services***	Conduct consumer research in France and Germany on the perception of repairability Make use of repair centres in South America Groupe SEB France voted customer service provider of the year in 2015 Partner with WWF France on responsible food and energy efficiency	2015: highlight repairability to Groupe SEB consumers 2015: launch experimental Groupe SEB appliance rental service 2015-2017: promote a product offering accessible to a greater variety of our consumers (projects such as Bottom of the Pyramid, for the elderly, the disabled, etc.) 2015-2017: improve Tefal's position in responsible food and Rowenta in energy efficiency
Respect for the environment	***Reduce the environmental impact of our products***	33 sessions on implementing the eco-design guide in France, Hong Kong and Latin America Continued pilot programs for collection and end-of-life management of cookware in France and internationally (Colombia, Thailand, Netherlands, Finland)	2015: implement the eco-design guide in China 2015: continue to implement end-of-life projects for cookware 2020: at least 20% recycled materials in the Group's new products 2020: 20% reduction in energy consumption in the Group's new products
	Make sure the Group's production sites respect the environment	ISO 14001 certification of Supor Vietnam and the registered office Expand worldwide the "1 eco-innovative project per industrial and logistical site".	2016: ISO 14001 certification of Asia Fan 2020: 20% reduction in energy consumption at the Group's production sites
	Reduce greenhouse gas emissions from transportation	Loading rate: • containers: 85.3% • lorries: 63.0% (intergroup shipments [e]) Continue the EffyPack project and international roll-out of palletisation software, with immediate visualisation of the loading ratio by container dimensions selected In France, 63% of supply and bulk export shipments (shipment destinations abroad via maritime transport) are conveyed by alternative means.	2015: loading rate targets: • containers: 89% • lorries: 64% 2015: continue the worldwide roll-out of the palletisation software 2020: reduce by 20% GHG emissions from product transport (per unit transported)

(a) "Human Rights Compliance Assessment", a self-assessment tool regarding Human Rights, developed by the Danish Institute of Human Rights, in collaboration with the UN.
(b) "China Business and Social Sustainability Check". This is the equivalent of the HRCA Quick Check, adapted to China.
(c) Produce while respecting the environment and limiting potential risks
(d) Effort to reduce environmental impact throughout the logistical chain
(e) Intergroup shipments refer to shipments from factories to the consolidation platforms (Rumilly P2 and Mions) or to the warehouses of subsidiaries, as well as to shipments between consolidation platforms and subsidiaries' warehouses.

3

3.4. REPORTING PROCESS

Monitoring of social, societal and environmental 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 2014 performance cover all of the items listed in Article 225 of law no. 2010-788 of 12 July 2010, 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 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: adding indicators, modifying 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)
Corporate 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.

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.

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

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 2014.

3.5. ETHICAL COMPLIANCE

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 over 25,000 employees around the world, with more than two-thirds of its workforce located outside of Europe. Because a common culture and shared values are essential to the success of an ethical 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 and is now available online on the Group's intranet. This document addresses **18 key areas**, including child labour, 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 used in 2012 and 2013 by international HR Managers. This represents almost **10,000 training hours**.

In 2014, the procedure for alerting the Group's code of ethics reference contact, 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 Organisation. Each year, he reports on the ethics alerts received and how they were dealt with to the Board of Directors' Audit Committee.

Human Rights

Respect for Human Rights forms an integral part of the Groupe SEB code of ethics as well as the training offered in this regard to international HR Managers. As a signatory of the Global Compact since 2003, the Group decided to evaluate its teams' practices in relation to Human Rights starting in 2007. To do this, it implemented the **HRCA** (Human Rights Compliance Assessment) **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. The 28 main questions and 240 sub-indicators that make up these questionnaires (245 for the CBSSC) cover subjects as varied as not using child labour, fighting against forced labour and relations with local communities. Assessments are carried out approximately every two years and cover virtually 99% of employees. The action plans undertaken to correct non-compliance are overseen by the Sustainable Development department and forwarded to the Audit and Organisation department, which can then verify that they have been implemented at the time of the audits. In 2013 over 80 industrial, logistical and tertiary entities in the world undertook this self-assessment. This campaign revealed that less than 1% of cases were non-conforming (nine cases) and the 8.3% required special attention. Areas of improvement reported mainly include monitoring of suppliers and community communications, which in some cases needed improvement in the interests of transparency.

(1) European Committee of Manufacturers of Household Appliances.

Responsible Purchasing

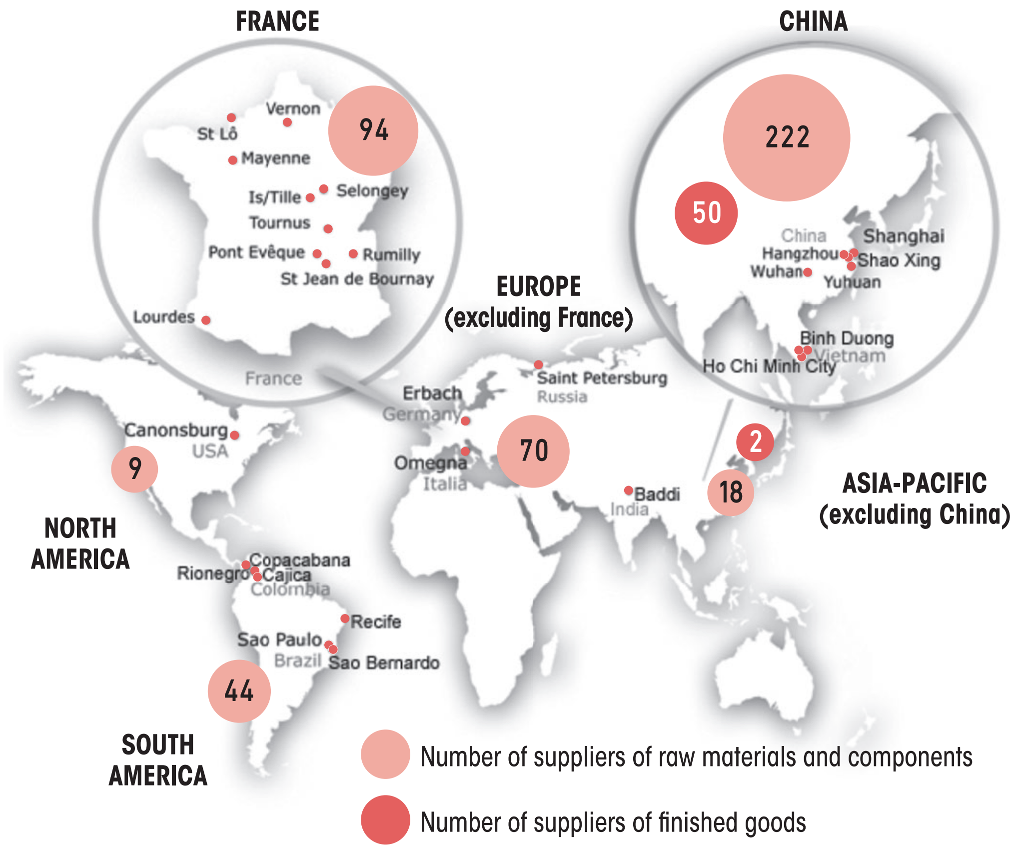
With more than 14,000 suppliers worldwide, Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. For this reason the Group has committed to a responsible purchasing policy and has implemented reporting and control systems to ensure that its suppliers comply with its labour and environmental requirements. Since 2012, this policy has been bolstered with numerous projects:

- **Charter of Responsible Purchasing** (2012), in conjunction with the Group's code of ethics. Sent to listed suppliers [(2)], it explains the Group's requirements from its suppliers in relation to Human Rights and its ethical, social and environmental principles. At the end of 2014, the Charter was sent out to 98% of the Group panel suppliers (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;
- **social and environmental criteria in the preliminary evaluation of new suppliers**. CSR criteria account for 25% of the score given to new suppliers of raw materials/components and finished products. Moreover, since 2013, if just one of the social or environmental criteria is rated as unsatisfactory, the supplier will be struck off. For the environmental portion, these criteria primarily include the following aspects: ISO 14001 certification, visible pollution (water, ground, air), use of dangerous products. For the social portion, the main aspects involve: existence of a formalised ethical/social policy or the signature of Groupe SEB's Responsible Purchasing Charter, working conditions, observance of employment law (age, working hours, etc.) and of safety rules. To evaluate indirect suppliers (excluding production), the CSR criteria account for 15% of the scoring;
- **ethical, social and environmental audits**. These audits follow a strict formal procedure. After an initial 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 an audit three months later.

  Since 2012, the Group has outsourced the ethical, social and environmental audits of its suppliers to the specialist firm SGS. Every year the Group audits about a quarter of its listed suppliers of raw materials/components and finished products in terms of their compliance with its ethical, social and environmental requirements. In 2014, the Group carried out 153 first-time audits (vs. 80 in 2012 and 145 in 2013), of which 90% were handled by SGS. These involved suppliers in Asia, South America, Europe, Turkey and North Africa. 21 suppliers showed critical breaches, as against 57 in 2013, which represents a significant drop. These breaches had mostly to do with working hours. The companies concerned all undertook corrective action in the manner suggested by the Group. In total the Group conducted 54 audits in 2014;
- **Charter of ethical, social and environmental audits** (2013), updated in 2014. For the sake of transparency, this document, as well as the points on which they will be rated during the audit, are sent to the suppliers. To help them make progress in the social and environmental area, the Group organises training sessions for their benefit on this topic. In 2014, these involved some 50 Chinese suppliers, with the purchasers from the Group who keep track of them in attendance as well;
- **internal global network of Social Audit Leaders**. Ten Purchasing Directors, from Asia (4), South America (3) and Europe (3) make up the network of Social Audit Leaders. They are responsible for getting the audits done in their scope and for progress plans undertaken by the suppliers. The network is kept active by quarterly meetings chaired by the Group Purchasing Director: report on the audits, analysis of results, exchange of best practices, etc.;
- **monitoring of chemical substances** (notably the EU regulation REACH). Since 2012, the Group has entrusted this assignment to EcoMundo, a firm specialising in regulatory compliance. At the end of 2014, more than 1,000 suppliers were monitored in this way;
- **mapping of CSR challenges by purchasing group**. Besides the compliance requirement, the Group seeks to strengthen the sustainable development component of its purchasing. In order to identify opportunities for improvement, in early 2014 it mapped out the social and environmental challenges for its main families of procurement. This study resulted in 17 pilot projects. Among the measures adopted: the insertion of environmental and social clauses in tenders. As regards social matters, for example, these clauses are aimed at selecting suppliers committed to the employment of people in difficulty. By the end of 2014 such clauses had been adopted for the procurement groupings of warehousing, waste management, brochures and promotional materials, and catering. At year-end 2014, subcontracted work to the protected sector (companies providing work to people with disabilities) totalled over €2.7 million across all French sites of the Group.

(2) Groupe SEB listed suppliers include 457 selected direct suppliers (materials and components), 52 suppliers of finished goods and 537 indirect suppliers (excluding production). Listed suppliers account for over 80% of Group purchases in the categories of raw materials and components and finished goods. These preferential suppliers are considered to perform especially well in terms of quality, cost and social and environmental responsibility.

MAPPING OF SUPPLIERS OF RAW MATERIALS/COMPONENTS AND FINISHED GOODS AS OF 31/12/2014



Anti-corruption

This topic was integrated into the code of ethics that applies to all employees. It provides, 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.

The Audit and Organisation department includes risk of fraud and corruption in its assessments. Given the economic environment in which the Groupe SEB subsidiaries operate, the principal risks are related to the purchasing process (passive corruption of the purchaser) and sales (active corruption of customers' employees). These risks are mitigated for each of these two processes by specific rules whose compliance is checked when the subsidiaries are audited. The great majority of subsidiaries have retailers as their customers (often several hundreds), with whom they deal directly without an intermediary.

3.6. RESPONSIBLE EMPLOYMENT POLICY

The Groupe SEB Human Resources policy strives to assemble a global human resources platform based on the Group's values. It 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 the data presented below are worldwide, excluding Groupe SEB India (290 employees), the Indian company in which Groupe SEB made a 55% equity investment in 2011 and took total control in December 2014, excluding Coranco Corporation (15 employees) and excluding GSE Ghana (1 employee). Data concerning the new acquisitions will be included progressively, as and when they are integrated into the various Group processes.

Global human resources management

To support its international growth and ensure equal treatment for all, Groupe SEB has harmonised its human resources processes worldwide. They are integrated into a dedicated information system that makes them more manageable. This is particularly the case with career management applications that have gradually been extended to all its entities in the world. In 2013-2014, more than 95% of the 2,600 or so managers worldwide received an annual assessment interview. The Group also began work in 2013 on a global set of guidelines on managerial competencies. The objective is to define in ordinary language understandable by everyone, the competencies expected of a Groupe SEB manager. This project continued in 2014 and should be completed in late 2015.

The Group gives great prominence to promotion from within: in 2014 70% of its key positions were filled by people who had come from its ranks. It also favours the geographic and job mobility of managers, with a view to career development and spreading a shared vision of the Group's strategy and values. This mobility involves an increasing number of managers: 25% more in 2014. That same year, over 100 managers were posted outside their country of origin.

Breakdown of total workforce by geographical zone

(Worldwide)

(number of individuals)	**2014**	2013	2012
France	5,844	5,868	5,898
Other Western European countries	1,311	1,308	1,310
North America	678	681	677
South America	2,342	2,620	2,723
Asia-Pacific	14,373	13,340	13,325
Central Europe, Russia and rest of world	905	865	825
TOTAL	**25,453**	**24,682**	**24,758**

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 2014, Groupe SEB had 25,453 employees based on the scope defined in the introduction. Asia Fan and Imusa employees were consolidated as from 2012 and those of GS South Africa (12 employees) were consolidated in 2014.

Breakdown of changes in staffing

(Worldwide)

(number of individuals)	2014	2013	2012
FRANCE			
Recruitment [(a)]	**596**	**574**	**531**
Fixed-term contracts	364	366	300
Permanent contracts	232	208	231
Departures [(a)]	**618**	**595**	**536**
Economic redundancies	2	2	10
Terminations for other reasons	43	34	43
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**0.86**	**0.73**	**0.67**
OTHER WESTERN EUROPEAN COUNTRIES			
Recruitment [(a)]	**202**	**208**	**183**
Fixed-term contracts	152	109	90
Permanent contracts	50	99	93
Departures [(a)]	**186**	**194**	**252**
Economic redundancies	38	15	44
Terminations for other reasons	31	16	29
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**4.98**	**5.55**	**6.25**
NORTH AMERICA			
Recruitment [(a)]	**182**	**123**	**150**
Fixed-term contracts	9	11	26
Permanent contracts	173	112	124
Departures [(a)]	**180**	**128**	**147**
Economic redundancies	1	2	6
Terminations for other reasons	50	26	27
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**16.60**	**11.72**	**14.03**
SOUTH AMERICA			
Recruitment [(a)]	**393**	**475**	**389**
Fixed-term contracts	195	144	76
Permanent contracts	198	331	313
Departures [(a)]	**669**	**568**	**483**
Economic redundancies	247	30	181
Terminations for other reasons	189	284	63
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**3.44**	**5.52**	**6.24**
ASIA-PACIFIC			
Recruitment [(a)]	**10,925**	**9,738**	**8,122**
Fixed-term contracts	10,204	9,102	7,928
Permanent contracts	721	636	194
Departures [(a)]	**9,886**	**9,686**	**8,124**
Economic redundancies	18	12	7
Terminations for other reasons	8	2	34
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**14.80 ***	**13.20 ***	**12.61 ***
CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES			
Recruitment [(a)]	**199**	**287**	**170**
Fixed-term contracts	93	104	63
Permanent contracts	106	183	107
Departures [(a)]	**153**	**177**	**86**
Economic redundancies	18	36	3
Terminations for other reasons	14	7	9
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**12.87**	**15.95**	**9.19**

(a) Excluding internal transfers and the return of expatriates.
(b) Number of resignations of permanent contract employees/Average number of permanent employees.
** Excluding Supor and Asia Fan, for which data were unavailable.*

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 2014 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 2014, the Group turnover rate (excluding Supor and Asia Fan) was 4.59% (4.76% in 2013).

Breakdown of employees by type of contract

(Worldwide)

	2014	2013	2012
FRANCE			
Permanent contracts, fixed-term contracts or other short-term contracts	5,588	5,639	5,706
Full-time	89.7%	89.2%	89.3%
Part-time	10.3%	10.8%	10.7%
Work-study trainees [(a)]	256	229	192
OTHERW WESTERN EUROPEAN COUNTRIES			
Permanent contracts, fixed-term contracts or other short-term contracts	1,303	1,299	1,304
Full-time	73.7%	76.0%	76.8%
Part-time	26.3%	24.0%	23.2%
Work-study trainees [(a)]	8	9	6
NORTH AMERICA			
Permanent contracts, fixed-term contracts or other short-term contracts	678	681	677
Full-time	96.0%	97.9%	96.9%
Part-time	4.0%	2.1%	3.1%
Work-study trainees [(a)]	0	0	0
SOUTH AMERICA			
Permanent contracts, fixed-term contracts or other short-term contracts	2,302	2,566	2,673
Full-time	99.8%	99.6%	99.8%
Part-time	0.2%	0.4%	0.2%
Work-study trainees [(a)]	40	54	50
ASIA-PACIFIC			
Permanent contracts, fixed-term contracts or other short-term contracts	14,373	13,340	12,457
Full-time	99.9%	99.9%	99.9%
Part-time	0.1%	0.1%	0.1%
Work-study trainees [(a)]	0	0	96
CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES			
Permanent contracts, fixed-term contracts or other short-term contracts	905	865	825
Full-time	92.8%	93.3%	94.3%
Part-time	7.2%	6.7%	5.7%
Work-study trainees [(a)]	0	0	0

(a) Working under apprenticeship/professional training contracts.

Asia Fan data were consolidated as from 2013. Worldwide 47.7% of employees are on permanent contracts, 51.1% on fixed-term contracts and 1.2% are work-study trainees. Excluding Supor, where temporary contracts are normal and often for long periods, particularly for manual workers, 86.0% of employees are on permanent contracts.

3

Attractiveness of the Group

To widen its pool of young talents, in 2014 the Group internationalised its relationships with institutions of higher learning. Notably, it sealed a partnership with the CEMS Global Alliance, which includes some 30 top ranked management schools (1,000 students, 65 nationalities). The Group also redesigned its Careers website (tailored to 14 different geographical areas) and adopted a new recruitment tool (Taleo), which is more scalable and suitable to the Group's global structure.

It handles both outside candidates (more than 16,500 applications received in 2014) and requests for internal transfer posted on the intranet. The effort is rounded out by an active presence on targeted professional social networks. In 2014 Groupe SEB was ranked among the top 80 consumer products companies most followed on LinkedIn internationally.

Payroll and charges

Groupe SEB is committed to the implementation of a fair and transparent remuneration policy, understandable by all. Using job evaluation tools, each situation can be assessed in relation to others in terms of remuneration and responsibility. The remuneration of all managers who have a certain level of responsibility comprises a variable part related to the results of the Group and those of the entity in which they work.

(Worldwide)

	2014		2013		2012	
(in € millions)	World	France	World	France	World	France
Payroll [(a)]	528.6	231.0	511.5	227.9	485.1	224.4
Payroll taxes [(b)]	119.1	68.0	121.8	68.3	119.5	65.1
Pension and other post-employment benefit plan costs	48.8	38.9	46.6	37.4	45.1	36.7

(a) Excludes bonuses and profit-sharing – includes provisions for paid vacation, excluding individual benefits.
(b) Includes provisions for payroll taxes on paid vacation.

Discretionary and non-discretionary profit sharing and employee benefits

In the area of profit sharing, Groupe SEB has been a pioneer: for over 50 years it has tied employee pay to the company's financial performance and does so in most countries in which it operates. In France, 45% of the total amount of discretionary profit-sharing paid by the Group is distributed evenly across all employees in France.

In keeping with its values, the Group also wants its employees in every country to have a high degree of job security compared to the local context, beyond the regulatory obligations. A global survey of practices that was carried out in 2014 showed that 80% of them already had death and disability coverage. The Group has set up an action plan to propose cover in the event of death to all employees, and to improve health cover.

(France)

(in € thousands)	2014	2013	2012
Provision for voluntary profit-sharing	13,926	16,662	16,132
Provision for profit-sharing	17,722	18,174	22,818
TOTAL	**31,648**	**34,836**	**38,950**

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

An additional €1,560,000 was paid out in France in August 2014 as the profit-sharing bonus in respect of 2013 results.

In 2015, the amount paid in profit sharing will amount to €26.4 millions

Absenteeism rate

(France)

	2014	2013	2012
Absenteeism rate [(a)]	3.8	4.0	3.7

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

Overtime

(Worldwide)

2014: in France, 53,638 hours, or 29 full time-equivalents (FTE) (2013: 51,278 hours, or 28 FTE).

Worldwide excluding Supor, 815,698 hours, or 381 FTE (2013: 559,236 hours, or 257 FTE).

For the Chinese subsidiary Supor, 10,233,335 hours, or 4,903 FTE (2013: 9,771,609 hours, or 4,682 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, Groupe SEB'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 day off 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.

3

External labour [(a)]

(Worldwide)

	2014	2013	2012
France	501	550	694
Other Western European countries	28	23	17
North America	184	178	160
South America	1,481	1,151 *	1,323
Asia-Pacific	545	679	1,088
Central Europe, Russia and other countries	27	31	68
TOTAL	**2,766**	**2,142**	**3,350**

(a) Temporary full-time equivalent staff.
** Restated following a calculation error.*

Diversity

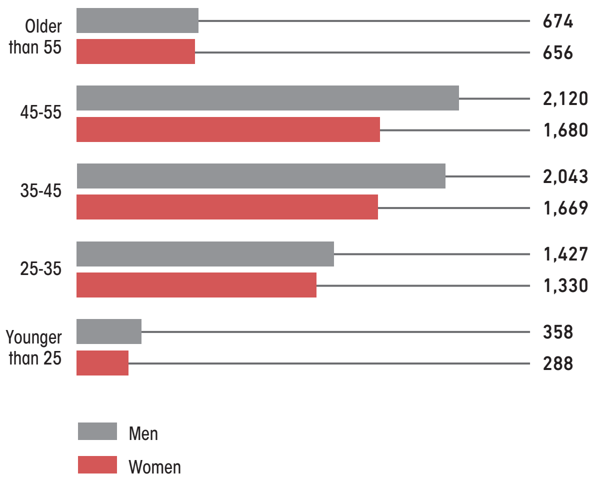
Because diversity is a source of vitality, creativity and innovation, the Group promotes all aspects of diversity: gender equality; ethno-social diversity; age-group balance, inclusion of persons with disabilities, etc. Groupe SEB has a non-discrimination policy to ensure that all employees are treated equally as regards their recruitment, remuneration and career paths within the Group, in accordance with our code of ethics.

In France, Groupe SEB has been a party to the Diversity Charter since 2005. Numerous actions have been implemented to support this policy at local sites and raise employee awareness. 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 twice in 2014. 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. In addition, each site in France has a local Diversity Committee. All the local committees were trained in 2014 in indicators and measurement of diversity by the specialised body ISM.

(1) International League against Racism and Anti-Semitism.

BREAKDOWN OF EMPLOYEES BY AGE

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



The inter-generational contract, signed in France in 2013 with social partners, aims to bring young people, particularly those without qualification, into the workforce, to hire and keep older employees and to ensure knowledge is transmitted. Incorporating the agreement on the employment of senior workers signed in 2009, 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.

Under this agreement, between 445 and 465 new hirings are planned by 2016, 25% of which will be young people, rising to 33% when replacing retirements at industrial sites. In 2014, it hired 99 young people under 26 in France, including 21 unskilled workers. They received a training course and assistance, primarily through mentorships. Every year the Group takes in about 300 interns and students on work-study contracts. Following a survey conducted among 230 of them, the Group was awarded the Happy Trainees (France) label, for the excellence of its work with these students.

GENDER EQUALITY

Workplace gender equality is an integral part of the non-discrimination and diversity promotion policy carried out by Groupe SEB. In France, it was part of a collective agreement in 2011. 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. It is part of a comparative Annual Report. Among the actions taken to help people balance their work and personal lives, certain options were accorded in terms of flexible work scheduling, and several sites instituted child-care or concierge services arrangements.

Specific funding representing 0.2% of the payroll has been allocated since 2007 to reducing the male-female salary gaps that still exist (inheritance of the past). In addition, to make it easier for women to enter technical occupations, traditionally held by men, specific training (awarding academic credits) has been offered to women in French plants since 2011. This has, for example, allowed production line workers to rise to line supervisor or manager.

The balance between men and women is also improving in management at the global level: in 2014, 35.9% of the Group's managers were women (compared to 32% in 2009). Similarly, women are also increasingly well represented among managers posted outside their home country; one third of expatriates were women in 2013/2014.

BREAKDOWN BY GENDER AND CATEGORY

(Worldwide)

(in %)	**2014**	2013	2012
MEN			
Manual workers	34.8	37.8	38.1
Other workers	16.6	13.2	14.0
Managers	7.3	7.4	6.9
TOTAL	**58.7**	**58.4**	**59.0**
WOMEN			
Manual workers	21.8	23.4	22.9
Other workers	15.4	14.1	14.5
Managers	4.1	4.1	3.6
TOTAL	**41.3**	**41.6**	**41.0**

At year-end 2014, 56.6% of Group employees were manual workers, 32.0% were employees and 11.4% were managers. Excluding Supor, manual workers, both male and female, represent only 40.1% of the workforce, while managers represent 20.4%, 37.1% of whom are female.

PERSONS WITH DISABILITIES

Disability represents a double challenge for Groupe SEB: it works to prevent it through its health and safety policy and to provide employment opportunities to people with disabilities. A three-year collective agreement on people with disabilities was signed by Groupe SEB in France in 2013. It aims to deliver better conditions for disabled workers joining the workforce and ensure their long-term integration into the 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; for example, 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.

(Worldwide)

	2014		2013		2012	
	World	France	World	France	World	France
Number of employees with disabilities	484	325	485	310	464	310
% of employees with disabilities [(a)]	1.90	5.56	1.96	5.28	1.87	5.26

(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 3.44% worldwide in 2014 (3.43% in 2013).

When temporary workers and ESAT sheltered employees are included, the rate of disabled employees in France in 2014 surpasses the 6% legal quota.

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. It also works to create employee representation bodies in all countries in which it operates. This commitment was reaffirmed in the Group's code of ethics.

In France, 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. In addition, team managers also receive training in staff-management dialogue.

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

COLLECTIVE AGREEMENTS

(Worldwide)

	France	Other countries in Western Europe	North America	South America	Asia-Pacific	Central Europe, Russia, other countries	Total
2014	28	23	1	18	40	4	114
2013	39	21	1	27	40	7	135
2012	56	18	4	10	35	8	131

A total of 114 collective agreements were signed in 2014. More than one-third (38) of these related to remuneration, more than 20% (26) to social dialogue, and a similar percentage to health and safety (25).

In France, in 2014, the Group renewed the three-year collective agreement on GPEC (occupation and skills forecasting). It is based on a shared vision of the socio-economic environment in which the Group operates, of its markets and of its strategy for the next several years. In this agreement, the Group reaffirms its intention of assisting those who wish it to develop themselves in their work, particularly through training.

At end-2014, almost 90% of Groupe SEB's staff were covered by a collective agreement. In countries where the Group has industrial facilities, this percentage stands at 97%.

Workplace quality of life

The Group also pays close attention to its employees' quality of life at work. In France, since 2012, it has had a survey conducted by the Great Place to Work institute. In the latest survey taken in late 2014, 60% of employees say that the Group is a good place to work and 76% say they are proud to work there. This employee survey will be expanded Europe-wide starting in 2015. Another example would be our subsidiary in Brazil, which in 2014 launched the *Viver Bem* programme encouraging employees to put more balance into their lives. This has three dimensions: health (healthy eating, exercise, etc.), maintaining an active social life and managing emotion to reduce stress and increase self-esteem.

As part of preventing psychosocial risks, in 2012 Groupe SEB set up a counselling office in France, outsourced to the specialist firm Turka. The purpose is to offer assistance and support to any employee who becomes the victim of or witness to such situations as harassment, discrimination and workplace violence or the stress resulting from them. The employee may remain anonymous if he or she wishes. In any event, the Turka counsellor assists the employee and/or puts them in contact with the person in the best position to help. In its first two years of operation, 2013 and 2014, the office was called on a total of 40 times, which according to Turka is below the national norm. The reasons for calling are mainly tensions with superiors, problems with colleagues or moments of stress from particular events (such as a store hold-up).

Health and Safety

For several years, Groupe SEB has taken steps to reduce the number of workplace accidents and limit the number of work-related health conditions, primarily musculoskeletal disorders (MSDs). In order to further boost awareness of health and safety for all, in 2012 a Strategic Health and Safety Committee was set up, involving three members of the Executive Committee, as well as 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 health and safety policy is steered by the Quality department, with two persons dedicated to it full-time. It is based on a global network of 30 Environmental Health and Safety coordinators (EHS), who became fully operational in 2014. They cover all industrial and logistics sites. Tertiary sites for their part have EHS reference contacts.

SAFETY

Groupe SEB gave new impetus to its safety efforts in 2012 when it launched the global "Safety in SEB" programme. This 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 is notably the case of the Behavioural Safety Inspections at the sites and the Flash Safety Vigilance information tool, implemented at all sites worldwide in 2013, including tertiary. Every accident that has a direct relation to work is reported to the whole community of site managers and to EHS coordinators in Groupe SEB to strengthen preventive measures.

Each plant and logistics site also implemented five "unbreakable rules" to address major risks, no deviation from which will be tolerated. New measures were introduced in 2014 such as the dissemination of the six Golden Rules, enabling each person to be a safety officer to all. This notion of shared responsibility is also central to the Safety Pyramid used in France since 2014 and that will be made international in 2015. The main idea is that when faced with a potentially dangerous situation, the individual has to take immediate action to prevent the risk and to report it so that corrective action can be taken.

HEALTH

The Health Plan, introduced in 2009, focuses on fighting 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 response involves awareness raising and training measures, taking MSD prevention into account from the design phase forward and carrying out specific measures in the sites.

Every French industrial and logistics site has set up a Steering Committee for Musculoskeletal Disorders and appointed one or more MSD specialists 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.

In 2014, the Group reviewed the product development process so as to take account of health issues at each phase prevent MSDs for the line workers responsible for assembling each product. New training sessions were designed on this topic for process technicians and the MSD reference contacts.

(Worldwide)

	2014	2013	2012
FRANCE			
Number of workplace accidents with days lost	63	73 *	71 *
Number of days lost	3,040	3,860 *	3,048 *
LTIR [(a)]	7.4	8.5 *	8.3 *
Severity rate [(b)]	0.36	0.45 *	0.36 *
Number of workplace fatalities	0	0	0
OTHER EUROPEAN COUNTRIES			
Number of workplace accidents with days lost	13	13	11
Number of days lost	136	210	280
LTIR [(a)]	4.8	4.9	4.0
Severity rate [(b)]	0.05	0.08	0.10
Number of workplace fatalities	0	0	0
EURASIA [(c)]			
Number of workplace accidents with days lost	1	0	0
Number of days lost	17	0	0
LTIR [(a)]	1.0	0	0
Severity rate [(b)]	0.02	0	0
Number of workplace fatalities	0	0	0
NORTH AMERICA			
Number of workplace accidents with days lost	4	3	6
Number of days lost	360	91	163
LTIR	3.5	2.4	4.4
Severity rate [(b)]	0.31	0.07	0.12
Number of workplace fatalities	0	0	0
SOUTH AMERICA			
Number of workplace accidents with days lost	26	26	28
Number of days lost	1,000	813	800
LTIR [(a)]	5.5	4.8	5.1
Severity rate [(b)]	0.21	0.15 **	0.14
Number of workplace fatalities	0	0	1
ASIA-PACIFIC			
Number of workplace accidents with days lost	65	92	62
Number of days lost	3,230	3,596	1,716
LTIR [(a)]	1.5	2.3	1.9
Severity rate [(b)]	0.08	0.09	0.05
Number of workplace fatalities	0	0	0

(a) Lost Time Injury Rate.
(b) Number of days lost per thousand hours worked.
(c) Kazakhstan, Iran, Turkey, Ukraine, Dubai and Russia.
** Restated consequent to a change in accounting rule (LTIR).*
*** Data updated to correct a rounding error.*

All data in the table exclude temporary employees.

The frequency rate of occupational accidents (TF1), 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. In 2014, Groupe SEB adopted 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 are no longer counted in the Group's Lost Time Injury Rate (LTIR). The new internal recording system has no effect on local legal declarations, which remain unchanged. The LTIR target for 2015 is 6.5 for France and 2.4 worldwide.

In France the LTIR, excluding temporary employees, stood at 7.4 in 2014 versus 8.5 in 2013. France counted 146 workplace accidents with or without days lost in 2014.

Worldwide, the LTIR, excluding temporary employees, stood at 2.8 in 2014 versus 3.5 in 2013. Overall, Groupe SEB counted 285 workplace accidents with or without days lost in 2014. The Group-wide severity rate was 0.13.

Four Group entities alone account for 80% of the total number of work related accidents: France, Supor China, Groupe SEB Brazil and Groupe SEB Colombia, in diminishing order. France and Supor had 66% of accidents between the two of them. Thanks to the multiplication of accident prevention measures worldwide, Supor China reported 21 fewer accidents than in 2013, and France had 10 fewer accidents. In spite of a slight increase in the number of accidents in Eurasia (+1) and North America (+1), in the other continents the Group's results have remained stable since 2013.

A global survey of work-related illness has been conducted since 2013. 56 new work-related illness files were recognised throughout the Group in 2014.

Number of new work-related illness files recognised in the year

Number of new work-related files recognised in the year	2014
France	42
Other European countries	2
Eurasia	0
North America	10
South America	2
Asia-Pacific	0

OHSAS 18001 CERTIFICATION

(Worldwide)

	2014	2013
Number of certifiable entities	38	*38*
Entities holding OHSAS 18001 certification [a]	89.5%	86.8%

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

Since 2007, the Group has involved all its sites in the certification of its health and safety management system (OHSAS 18001). At year-end 2014, 89.5% of the Group's industrial and logistics entities now hold this workplace health and safety certification.

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

Training

Training is essential to skills development. It 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. In the case of managers, these goals are expressed during the annual evaluations, carried out worldwide. In France, all non-managerial employees receive an annual evaluation which includes a training and skills development component. A global reporting system makes it possible to track the training provided throughout the world.

TRAINING (STAFF AND TRAINING HOURS)

(Worldwide excluding Supor)

	2014		2013	2012
	Worldwide	Worldwide excluding Supor	Worldwide excluding Supor	Worldwide excluding Supor
Number of training hours	624,793	215,918	227,504	280,393
Number of staff trained	27,811	9,218	9,030	8,870
Of which women	10,060	3,981	*3,782*	*3,748*
Of which men	17,751	5,237	*5,248*	*5,122*

Data for Supor have been included in consolidated data for 2014. The large increase in the number of people trained in the Group is due to the high employee turnover rate at Supor.

Excluding Supor, nearly 70% of Group employees benefited from at least one training session in 2014. In 2013 they were 68%. Of the total hours of training conducted in 2014, 32% targeted manual workers, 36% targeted employees and 32% targeted managers. Supor held 408,875 training hours.

In France, Groupe SEB employs almost 5,900 people across nearly 15 sites. Its industrial operations are moving towards greater automation and computerisation of production systems and new management system requirements. In this regard, the Group is committed to guaranteeing the employability of its employees, to facilitate their professional development. That is the objective of the training organised as part of the GPEC (occupation and skills forecasting), aimed primarily at the lowest skilled jobs (the Group renewed this three-year agreement late in 2014).

This training offering is based on four “bricks” of skills, adapted to employees’ various training needs: DÉCLIC (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). In 2014, more than 276 Groupe SEB employees have undergone this process. All of the Group’s French sites set up career centres in 2011 and aim to allocate 20% of their total training budget to training designed to improve the employability of employees with limited qualifications.

TRAINING BUDGET [(a)]

(Worldwide)

(as a % of payroll)	**2014**	2013	2012
France	3.94	3.91	4.32
Other Western European countries	1.63	1.18	0.99
North America	1.47	1.71	1.04
South America	0.60	0.63	1.62
Asia-Pacific	1.38	1.45	1.36
Central Europe, Russia and rest of world	2.82	2.44	2.86
CARRYING AMOUNT	**2.56**	**2.54**	**2.75**

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

The training expenses of Supor this year were 1.19% of the payroll (1.19% in 2013). The Group’s training expenses were 2.56% of its payroll in 2014 (2.54% in 2013). Excluding Supor, this percentage stands at 1.92% for the Asia-Pacific region and 2.90% Group-wide (2.12% and 2.84% in 2013, respectively).

GROUPE SEB UNIVERSITY

(Worldwide)

	2014	2013	2012
Number of trainees	1,912	1,357	1,288
Number of training sessions	175	141	129
Number of training hours	33,166	28,356	30,139

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.).

In 2014 Groupe SEB University expanded its Digital Academy programmes by creating new modules on producing content on the brands’ websites. It also further developed the topic of customer and consumer relations with the Sales and Marketing School.

The marked increase in the number of trainees is linked to the international rollout of a number of programs, such as the Purchasing Academy and the First Program.

Internal communications

Intracom, the Groupe SEB intranet, is the centrepiece of our internal communications. It was completely revised in 2014 to offer an information platform that better reflected the Group’s priorities and structure. This change was accompanied by the launch of new, occupationally based collaborative sites (consumer services, retailing, etc.) and local intranets (for Spain, Portugal, Japan, etc.). Management communications is another key part of our efforts. The Management Forum previously held in France with some 100 managers in attendance has since 2014 been offered as a webcast in all countries. It is followed by over 400 managers, which allows improved sharing of information and its broader dissemination among teams. In-house press also occupies an important place in the company. In 2014 the magazine Tempo came out in digital form and now has a version in Chinese alongside its versions in French and English. The Group’s business lines also put out topical newsletters (on human resources, eco-design, consumer services, etc.) and a great many sites have their own in-house newspaper covering local issues.

3.7. A CORPORATE CITIZEN

The Group's societal engagement is reflected both in its contribution to the economic and social growth of the regions where it operates and in its work to further inclusiveness, particularly through its company Foundation.

A responsible participant in the economy

Groupe SEB accepts its economic and social responsibility in the regions where it is located. In addition to the jobs it generates, it supports the development of local businesses, especially players in the non-profit and social sectors. Whenever possible, it favours use of companies with a social mission, helping persons in difficulty to find employment. To do this, it incorporates social provisions in its calls for tenders. By the end of 2014 such clauses had been adopted in Europe for the procurement groupings of warehousing, waste management, brochures and promotional materials, and catering. At the local level, a great many initiatives are undertaken by the sites. In the USA, for example, the Canonsburg site (All-Clad) worked for some 15 years with a local community organisation, Life's Work, which employs people with disabilities, hiring Life's Work for metal recycling and product packaging.

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. In late 2014, for example, it stopped production of personal scales and kitchen scales at the Rumilly site in France due to continued declines in production volume and market share from Asian competition. This decision had no impact on jobs: the 36 production employees were offered a reassignment within cookware at the same site, as well as individual transfer support (mentoring, training, etc.) aimed at facilitating their reassignment. Moreover, the "Weighing" competence and expertise unit and the "Smart systems" innovation unit employ 11 people and were maintained at Rumilly.

The Group is also an active member of the community. It maintains links with local organisations and takes part in social issues such as nutrition, health or ageing, topics that also involve its research and development teams.

Corporate philanthropy

In all countries, the Group encourages employees to become involved as citizens and participate in associations, whether personally or as part of actions undertaken by the Group, through its Foundation or its subsidiaries. It structures its philanthropic policy around inclusiveness.

GROUPE SEB FOUNDATION

Created in 2007, the Groupe SEB Foundation leads and coordinates the Group's philanthropic policy. 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 2014, the Foundation supported a diversified range of initiatives, including 25 large projects and 24 local projects, in the context of a support budget that amounted to €500,000 in cash and €100,000 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 of Groupe SEB, 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 (ANDES).

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

It has 12 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 comprising two people delivers and assesses the projects and develops the network of employee volunteers.

Projects supported in France

Since its creation, the Foundation has supported 327 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 example, the French Red Cross, Emmaüs Défi, Association Nationale de Développement des Épiceries Solidaires (ANDES), Énergie Jeunes, or Agence du Don en Nature, of which it is a founding member. In 2013, new nationwide, multi-year partnerships were put in place with the French Red Cross and the Fédération Nationale des Écoles 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. From 2013 to 2014, 950 packs of new products manufactured by Groupe SEB, for breakfast, cooking and home care were handed out in order to outfit all the Red Cross locations providing inclusiveness services. 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 continued to 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 of the time) plus theoretical lessons. This instils a sense of practical purpose which promotes motivation and responsibility, as well as the habits needed in work.

The historical partnership with ANDES was also strengthened in 2014. Since 2011 the Groupe SEB Foundation has contributed money and products to the "Compagnie des Gourmands," a series of cooking workshops bringing together parents and children being helped by community food stores. These workshops make it possible to strengthen or re-establish the parent-child bond while giving new worth to the parent. In 2014 ANDES and the Foundation undertook to supplement their work by renting out at no cost or for a token amount products that are too unwieldy or too seldom used to be given to recipients outright. The objective is to enable low-income people to have access to products for mealtime or that encourage home cooking (such as yoghurt makers, sorbet makers, bread machines, waffle irons, grills or fondue kits) so that they can make a recipe learned in the cooking workshop at home. This experiment, conducted in seven food stores in 2014, will be rolled out in 2015. Groupe SEB and ANDES were short-listed for the 2015 CSR "Grand Prix" of the Responsible Consumer Industrie, organised by the ESSEC Business School, in the Civil Responsibility category.

The Foundation also runs programmes to stimulate the involvement of employees in community projects. For the second year running it organised the in-house call for projects API Sol'. The objective of this initiative is to give a helpful push to projects sponsored by the Group's employees. Out of the 24 projects proposed in 2014, the Foundation supported 11, selected by local juries at the sites. The Foundation also innovated by offering to help some French employees use their vacation as part of an international social service mission with an association. It assisted seven employees drawn at random from 13 candidates by helping with the trip's expenses. They went to various countries and worked on programmes involving education, nutrition and micro loans.

International development of the foundation

Besides the partnership with CARE in Brazil (an educational food programme), which entered its third year in 2014, the Foundation started a second project in Vietnam with the association Life Project 4 Youth. This took the form of a new occupational training centre to help marginalised young people create a life plan. Located near the Asia Fan site, this centre has now started to manufacture light fixtures from recovered materials. Since June 2014, it has already trained 7 young people and is expected to soon take in about 15 more for a 9 to 19 month integration programme. Beyond developing their basic knowledge, the youth experience the creation, development and management of an economic micro-initiative. They are assisted in their personal project, whether this involves creating their own business, joining a company or continuing their schooling. In Colombia, the Groupe SEB Foundation and 18 volunteers from the Colombian and Brazilian subsidiaries worked alongside the association Habitat for Humanity. Together they spent a day improving the housing conditions of four families living in extreme poverty north west of Medellin.

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. In 2014, with seven subsidiaries, it organised a first Europe-wide solidarity operation: Charity Week (from 23 June to 4 July). Group employees made an effort to help children in difficulty. Many actions were organised throughout the continent: volunteering, collecting money or toys, donating products, etc. Along with that, all European employees were invited to take part in the Babyloan Challenge by sponsoring a micro-entrepreneur with a financial loan. Thanks to this Group effort, about €15,000 were loaned to 48 beneficiaries.

LOCAL INITIATIVES

All over the world, Group subsidiaries fund projects directly.

In China, for example, Supor has for many years had a policy of supporting school-building to help educate disadvantaged children. Since this project began, Supor has funded 16 Supor Schools. 430 students took their place in two new schools built in 2014. In addition to financial support, this programme mobilises employees to volunteer and support the schools or donate books.

Finally, in Korea, the Groupe SEB subsidiary has gone into full partnership with the American NGO Child Fund, supporting disadvantaged children. This includes a charity auction to benefit the association. During the 2014 edition of this Charity bazaar, held on 18 September in Seoul, flagship products of the Tefal brand were put up for sale at extraordinary prices, bringing in the equivalent of about €17,000. Another example, in Colombia: on its 80th anniversary, the Imusa brand produced a large-scale operation under its "Dream Builders" programme. It assembled over 200 employees, customers, consumers and suppliers to build wood houses for eight needy families.

TOTAL CORPORATE PHILANTHROPIC EXPENSES

(Worldwide)

(in €)	**2014**	2013	2012
Financial donations	1,788,551	2,248,636	2,170,592
Of which Groupe SEB Foundation	*500,000*	*543,000*	*500,000*
Product donations	359,233	597,381	499,037
Of which Groupe SEB Foundation	*109,726*	*334,000*	*280,000*
TOTAL CORPORATE PHILANTHROPIC EXPENSES	**2,147,784**	**2,846,017**	**2,669,629**

Supor Vietnam came into the reporting scope in 2014.

Overall, the Group allocated €2.15 million to corporate philanthropic activities in 2014, down €700,000 compared to 2013. This drop stems mainly from the end of the partnership between Tefal and UNICEF, together with a fall in product donations made by the company in France. 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. Donations of below €10,000 for a single public-interest organisation are reportable.

3.8. A PRODUCT RANGE MEETING CONSUMER EXPECTATIONS

Consumer satisfaction is Groupe SEB's number one objective. Our priority is to better understand their expectations so as to meet their needs, but also to help them towards more responsible consumer practices, from the point of view of both nutrition and health and of respect for the environment.

Product liability

Groupe SEB is committed to offering customers high-quality products, guaranteed to be safe and food-safe. In each country, it complies with all standards and regulations governing the products it sells. Responsible products are the first theme addressed in Groupe SEB's code of ethics as part of its policy of respect for the consumer.

QUALITY

The Group controls quality at each stage in the design and manufacture of its products, including with subcontractors. It has processes in place to continuously improve the quality of its products, incorporating customer comments gathered by the Call Centres: because of the centralised IT platform, these are forwarded to the marketing staff, who factor them into the changes made to the products. Returns under warranty, a sign of the continuous improvement of product quality, have continued to drop, and the indicators measuring quality as goods are finished have significantly improved in recent years. The rate of potentially defective products was cut to one-tenth of what it was six years ago (Group and subcontractor factories). Finally, the Group conducts monitoring and takes proactive steps to raise quality standards in the interests of the consumer.

Reparability

Extending the lifetimes of products is helpful both to the consumer and to the environment. The Group is convinced of this, and took early leadership with its reparability policy initiated back in 2008. Reparability is one of the priority areas written into the Group's new eco-design guide. In 2014, 67% of the total volume of household appliances sold were fully repairable and 95% 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. A product is considered partly repairable if one or more spare parts is/are not available and one or two parts cost(s) more than half the price of the product.

For products under warranty, the Group encourages its consumers to have them repaired in preference to exchanging them by pointing out the approved repair centres in its network (over 6,500 in the world). In fact, the rate of product repairs in the approved centres is increasing. It has risen above 78% in Western Europe. To encourage repair of products out of warranty, 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. Moreover, consumers in many countries can directly order accessories, consumables or miscellaneous parts on www.accessories.home-and-cook.com. In several markets (like the USA, Turkey, Germany and France) the Group has also been exploring ways to help consumers who wish to repair their products themselves.

What do consumers think about product repair? A study conducted by Groupe SEB in 2014 in France and Germany shows that they are in favour of it but are rather poorly informed about this possibility. The Group is therefore going to increase its communications on the subject.

FEEDBACK AND SERVICE

To answer consumers' questions, the Group has call centres in most of the larger countries. But that was not the case everywhere. In 2014, to bring better service to more consumers, the Group started creating multi-country call centres. It created one in Sofia, for example, which covered six central and eastern European countries, with a team able to reply in the different languages of the region. In 2014, Groupe SEB France was voted Customer Service of the Year for the quality of its telephone dealings, the empathy, the readiness to serve, the effectiveness and clarity of its answers. In Brazil, Arno became one of the top 15 brands that "respect and take the best care of consumers".

Wishing to help the consumer in all circumstances, the Group continues to add to the services it offers. In 2014 it put out a series of videos on the use and maintenance of products, posted on YouTube and accessible on the brands' websites. It also hosted new mutual help communities of consumers on several brand websites, based on the one hosted since late 2013 on seb.fr, which in one year has registered over 20,000 active members.

Also in 2014, the Group conceived an innovative product rental service to help out consumers who have a one-time need for an appliance. Called Eurêcook, it is part of the "circular economy" and will be tested in 2015 in France. This initiative, which is also environmentally friendly, has received support from ADEME (the French agency for the environment and energy management).

NUTRITION AND WELL-BEING

Consumers are increasingly sensitive to the quality of their food, and the Group is innovating to help them in this respect. Products in the Nutrition Gourmande range are aimed at consumers who wish to eat healthily without giving up on taste, while many appliances make “made at home” easier, since this is in keeping with well balanced meals.

To go further in this area, the Group has adopted an “open” innovation approach, with research projects involving numerous partners. Thus it is a founding member of the European Centre for Nutrition and Health, created in 2012. The Group also belongs to the “hard core” of the European consortium InnoLife (144 companies, research organisations and universities) which won a call for projects from the European Union on the theme “Living in good health and ageing well.”

This “open” innovation approach also takes the form of acquiring interests in start-ups through the SEB Alliance investment fund. Some of these are developing cutting edge technologies to do with well-being and health, such as Ethera, specialising in the quality of indoor air. The partnership between Ethera and Groupe SEB resulted in the creation of a new line of air purifiers (Intense Pure Air), which were introduced in China late in 2014 before expanding to other countries.

PRODUCTS ACCESSIBLE TO THE GREATEST NUMBER OF PEOPLE

Making products more ergonomic and easier to use is another of the Group’s areas of research. This includes factoring in the needs of people with reduced agility such as senior citizens. The Group has, for example, collaborated in France with the Institut de la Vision and the École Nationale Supérieure de Création Industrielle on prototypes of products adapted for the vision-impaired. This project has increased the awareness among the innovation teams of visual impairment and suggested ways to improve existing products and those to come.

SUSTAINABLE DEVELOPMENT AT THE HEART OF THE BRANDS

Since 2013, the Group has taken a further step in the incorporation of sustainable development into the heart of its business. With the Marketing and Brand teams, it has made that a part of the Tefal and Rowenta brands. These two flagship Group brands, already very involved in this area, focused and formalised the major lines of intervention of their commitment in this regard. Thus, Tefal places particular emphasis on healthy and responsible eating, while Rowenta emphasises energy efficiency. For each of them this translates into specific R&D efforts to develop products and solutions through new partnerships and special communication topics.

3.9. REDUCTION OF ENVIRONMENTAL IMPACTS

From a product's design to its end of life, the Group takes measures to limit its environmental footprint. In the factories, offices, laboratories or warehouses all employees and contractors of the Group are made aware of the importance of respecting the environment. Groupe SEB's environmental strategy is supervised by the Quality Standards and Environment department and is deployed across the sites by local employees.

The data provided below concern worldwide operations, except in cases where it is explicitly stated that they only include the ISO 14001 certified entities [(1)]. Neither do they include Asia Fan (Vietnam) and Groupe SEB 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 were included in the scope of reporting this year. The Écully corporate headquarters as well as the Supor Vietnam site, certified in 2014, will also be included in the scope of reporting in 2015.

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. They have been codified in the Group's code of ethics, which is deployed internationally. Specific training actions are held to ensure that personnel have the necessary skills. Finally, Groupe SEB also shares its performance in terms of environmental responsibility with employees via in-house channels (intranet, posters, events, etc.) and external channels (Business and sustainable development report, website, etc.). Two in-house newsletters based on the environment deal with these topics: the Eco-design and Metamorphoses (on new materials) Newsletter. 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: 2010);
- 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's policy of eco-design of products aims to reduce the environmental footprint of the Group's products throughout their life cycle. To make progress in this area, it employs an eco-design guide, completely revised in 2013. The new guide clearly incorporates all stages of the life cycle of products and their packaging (extraction of raw materials, manufacturing, transport, use, end-of-life). More complete and operational than its predecessor, it is structured around the Group's eco-design priorities: energy efficiency, recyclability, reparability, 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 allows project teams to select the appropriate performance level for each new product based on the specifications.

This guide is a key tool in meeting the 2020 environmental targets. It was distributed in 2014 to the Group's entire innovation community: teams in marketing, R&D, design, purchasing, quality, legal, etc. 33 training sessions were organised in France, Hong Kong and South America with others planned in 2015, notably at Supor.

(1) Certifications obtained by sites prior to their acquisition by Groupe SEB are not taken into account by the latter.

In addition, Groupe SEB has carried out life cycle studies on 95% of its product families. These significant studies [1], which measure the various impacts of products on the environment, make it possible to orient our research so as to reduce their ecological footprint.

ENERGY EFFICIENCY

Since a large part of the environmental impact of household appliances stems from their electrical consumption, Groupe SEB has several efforts underway to reduce it and has made great progress in this regard. Vacuum cleaners provide a good illustration. In four years, the Group's R&D teams have succeeded in cutting in less than half the energy consumption of vacuum cleaners with no trade-off in cleaning power. In 2014 all the new Rowenta vacuum cleaners had 750 to 900 watts of power, which is well below the new European regulatory threshold set at 1,600 watts. To achieve this level of performance, the Group developed low input/high output motors, designed more effective suction nozzles and improved all the air flows to reduce charge losses. It is continuing this work, particularly on new motor technologies. Another example is the latest (Rowenta) Eco Intelligence iron, which consumes 30% less energy with no loss of performance. It received the support of the WWF, to whom a portion of the purchase price is contributed for their work on behalf of the environment.

In 2014, the electrical products developed by Groupe SEB consumed an average of 0.47 W in stand-by mode (0.43 W in 2013 and 0.55 W in 2012).

RECYCLABILITY

All the Group's products are evaluated in terms of their potential recyclability, using a harmonised approach. To increase this rate, the Group gives preference to materials that can be recycled (metallic components, certain plastics like polypropylene) and seeks to reduce the number of different materials used in its products to facilitate sorting. It also provides for quick and easy disassembly of its appliances.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 2014 at nearly 79%. As for cookware, the materials of these items are about 80% recyclable.

USE OF RECYCLED MATERIALS

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. In 2014, the Group intensified its work on incorporating recycled plastics in its products: collaboration with recyclers to improve the quality of plastics, verification of their compliance with regulations, performing injection and prototype testing, launch of pre-series, etc. Some projects will be carried out starting in 2015, such as the shell for a steam generator made of recycled polypropylene. Tests have also begun on parts from recycled ABS in espresso machines. One should note that these plastics come from recycling electrical and electronic appliances.

REPARABILITY

See page 95.

Eco-production

In 2003 the Group adopted a worldwide environment management system. It aims, first and foremost, to control the use of resources (water and energy) and to reduce waste and emissions. This approach has resulted in the gradual ISO 14001 certification of the sites. The Group is committed to adhering to the guidelines set forth in the standard: compliance with the regulations and laws in force, as well as continuous improvement and pollution prevention.

Since 2012, with a view to sharing best practices, each French industrial site has proposed an "eco-innovative" project. These projects aim to go further than regulations by setting up innovative projects that will enable advances in effectiveness in terms of the environment. The projects proposed deal with improved recycling, innovative waste sorting methods and the use of renewable energy. This initiative launched in Europe in 2014 will apply to international sites beginning in 2015. 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.

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. They meet during quarterly meetings to define best practices regarding utilities management and performance, identify indicators to be used to monitor performance, identify areas of improvement for each site, and share their experiences.

(1) Life cycle studies carried out on the most representative models in each of the Group's product families in terms of technical characteristics, sales and geographical distribution.

ISO 14001 CERTIFICATION

Groupe SEB's goal is for all of its industrial and logistics entities to be ISO 14001 certified worldwide.

(Worldwide)

	2014	2013	2012
Number of certifiable entities	38	*38*	*38*
Entities holding ISO 14001 certification [(a)]	92.1%	89.5%	84.2%

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

The Supor site in Vietnam and the corporate headquarters in Écully obtained certification in 2014.

Asia Fan (Vietnam) and Groupe SEB 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.

CONSUMPTION OF RESOURCES

(ISO 14001 certified entities)

Data for the Imusa sites (Colombia), certified in 2013, were included in the 2014 consolidated data. 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 tonnes)	2014	2013	2012
Total consumption of metals	170,337	163,645	77,965
of which motors	30,198	*27,853*	*24,556*
Total consumption of plastics	72,364	69,900	46,500
Total consumption of packaging	94,400	80,300	29,012

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

Indirect raw materials

	2014		2013		2012
	World	World excluding Supor	World	World excluding Supor	World excluding Supor
Total consumption of natural gas *(in GWh)*	210.8	157.8	223.2	174.6	170.9
Total consumption of liquefied gas *(in tonnes)*	1,770.3	658.0	1666.1	756.2	769.0
Total consumption of electricity *(in GWh)*	368.2	170.6	348.0	162.2	163.3
Total consumption of water *(in thousands of m^3)*	3,567.6	1,041.0	3,662.7 *	1,128.0	1,021.1
Total consumption of fuel oil, excluding fuel *(in m^3)*	38.5	38.5	39.2 *	39.2 *	31.2

* *Data updated to correct a miscount.*

On a like-for-like basis, the consumption of indirect raw materials fell across the sites (excluding Supor) compared with 2013 (-6.4% electricity consumption, -16.3% natural gas consumption, -11.8% liquefied gas consumption, -10.7% fuel oil consumption, excluding fuel, and -13.9% water consumption). These reductions are primarily due to the slight drop in the number of finished products manufactured in these factories and to a more favourable winter season in France compared with 2013.

Elsewhere, Supor consumption grew (+6.4% electricity, +9.1% natural gas and +22.3% liquefied gas), excluding water consumption which was stable (-0.3%). These increases are primarily linked to the higher volume of finished products manufactured by the factories of this subsidiary (+11.3%).

In 2014, a finished product manufactured in a Groupe SEB plant required on average 0.97 kWh of natural gas, 1.69 kWh of electricity and 16.4 litres of water.

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

Land use

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. Therefore, Groupe SEB believes it has no significant impact on or material use of land.

WASTE

(ISO 14001 certified entities, excluding the Supor site at Wuhan)

	2014		2013	2012
	Worldwide	Worldwide excluding Supor	Worldwide excluding Supor	Worldwide excluding Supor
Non-hazardous waste (NHW) * *(in tonnes)*	21,964	15,107	15,851	14,460
NHW recycled * *(in %)*	69.9	80.1	77.6	80.8
NHW recovered for energy * *(in %)*	4.6	6.7	9.2	7.6
Production of hazardous waste (HW) – excluding waste oil, effluent and sludge *(in tonnes)*	1,506	1,331	1,169	1,202
Sludge produced by internal wastewater treatment plants *(in tonnes)*	4,080	3,292	4,266	4,022

* *Excluding Oils, Metals and Sludges.*

Data for the Imusa sites (Colombia), certified in 2013, were included in the 2014 consolidated data.

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. Supor site in Wuhan is not included in the 2014 consolidated date due to unavailable data.

Groupe SEB's goal for non-hazardous waste focuses on recycling and recovery. In 2014, 69.9% of the Group's non-hazardous waste was thus treated in recycling systems and 4.6% was used to produce energy. The Group also kept track of its metal waste and WEEE (Waste from Electrical and Electronic Equipment) from production waste, which amounted to 12,884 and 264 metric tonnes respectively for this year.

On a like-for-like basis (i.e. excluding Supor and Imusa), the volume of non-hazardous waste generated shrank by 5.4% compared with 2013, whilst hazardous waste was down 4.9% thanks to the efforts made to reduce the number of finished products manufactured by these sites.

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, particularly those related to production.

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 (e.g. Rumilly). These investments aimed to treat emissions as well as to overhaul processes in order to eliminate VOCs entirely.

(ISO 14001 certified entities)

	2014		2013		2012
(in metric tonnes of CO_2 equivalent)	World	World excluding SUPOR	World	World excluding Supor	World excluding Supor
Greenhouse gas emissions	234,780	61,241	231,181 *	64,283 *	62,621

* *Data updated to correct a miscount.*

Data for the Imusa sites (Colombia), certified in 2013, were included in the 2014 consolidated data.

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 1") generated through the burning of fossil fuels, as well as indirect emissions stemming from the electricity purchased ("scope 2"). 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 dated June 2010).

On a like-for-like basis (i.e. excluding Imusa), greenhouse gases emissions for scopes 1 and 2 were down slightly (-0.8% vs. 2013), in line with the change in electricity and natural gas consumption (accounting for 78% and 18% of scope 1 and scope 2 emissions, respectively). The drop in natural gas and electricity consumption is mainly due to the lower number of finished products manufactured in these factories and to a more favourable winter season in France compared with 2013.

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 2014, Groupe SEB discharged 155 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.

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 improve the carbon footprint of its logistics activities, Groupe SEB is focusing on two main areas: 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.).

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. To do so it works 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.

GREENHOUSE GAS EMISSIONS

(Worldwide)

(in tonnes of CO_2 equivalent)	**2014**	2013	2012
Average value of greenhouse gas emissions	261,825	252,840	216,551

The flows concerned in the calculation of greenhouse gas emissions are:

- 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. The portion of extrapolated emissions is thus declining year by year.

In 2014, Groupe SEB emitted 261,825 tonnes of CO_2 equivalent, up 3.6% from 2013. These CO_2 emissions are primarily associated with maritime transport (36% of emissions), as well as road transport (32% of emissions).

Emissions linked to the distribution flows from our subsidiaries' warehouses to clients also increased by 8%, which is explained by the more reliable calculation method used. In 2014, only 38% of these data were extrapolated from data collected in 17 countries (vs. 70% extrapolation in 2013 from data collected in six countries). Compared with 2013, maritime transport emissions were up 9%, in connection with the higher volumes transported. Road transport emissions, on the other hand, were down 7%.

LOADING TRANSPORT UNITS

To reduce CO_2 emissions from the transport of products and components, the Group continues to improve the loading rate of the transport units. It makes particular use of the "EffyPack" (for PACKaging system for supply chain EFFiciencY) approach, which optimises the dimensions of packaging by entering early into the design process. For example, it only took cutting a few centimetres off the Fresh Express packages (in 2014) to increase the number of products per pallet by 50%. New software was rolled out internationally in 2014 to supplement this effort: a palletisation application that adjusts and visualises the ideal way to load pallets and containers. Group-wide, the weighted (1) loading rate of containers rose from 90% in 2013 to 85% in 2014. In parallel, the loading rate of lorries rose from 62% in 2013 to 63% in 2014 for intergroup shipments (referring to shipments from factories to the consolidation platforms or the warehouses of subsidiaries, as well as to shipments between consolidation platforms and subsidiaries' warehouses).

SELECTING AND ARRANGING MODES OF TRANSPORT

The Group also fosters research into transportation solutions with lower environmental impact. In China, for example, products manufactured in the north have since 2014 been routed by barge to the platform in Yantian, in the south. Compared to the previous method, using containers with a stop in Hong Kong, this solution has reduced CO_2 emissions by 40%, while reducing costs by 30% and times by 20%. In the same spirit, the Group favours railways over roadways. New, substitute itineraries by rail were opened in 2014, notably in France, Germany, Spain and Mexico. In Spain, all products imported from Asia now take the train instead of the roads to get to the central warehouse from the port. Results: 48% lower CO_2 emissions, at lower cost and shortened time intervals.

In France, 63% of supplies and major exports (international maritime movements) were transported by alternative means, an 8% increase over 2013 (in number of transported units), with rail accounting for 47% and barge for 16%.

Product 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, as part of Éco-Systèmes, the country's largest eco-organisation for WEEEs.

Still, frying pans, saucepans and casseroles have as yet no specific process set up for them. Since 2012, Groupe SEB France has worked with Éco-systèmes and the major retailers to set up a recycling chain for end-of-life cookware: consumers are asked to deposit their old products in stores, for a discount voucher. The products are then sorted and a sufficient quantity of lumped material is recycled.

In three years, over 300,000 items of cookware have been collected and processed in this way. This initiative won Groupe SEB the 2015 CSR Grand Prix of Responsible Consumer Industries organized by the ESSEC Business School in the Resource Management category. Other countries undertook actions of this type in 2014, notably the Netherlands and Finland. Outside of Europe, collection initiatives were also instituted, as in Colombia and in Thailand (2013). In that country, products collected were turned over to a local association that manufactures prostheses (artificial legs) largely made of aluminium.

Information systems

Groupe SEB has developed an eco-responsible IT policy based among other sources on the guide to an environmentally responsible IT system published by the WWF. Its activities in this regard strive to make progress on three fronts:

- reduce the number of printers in service and the consumption of paper. In Europe the decrease in the number of printers in service and the widespread use of shared multifunction machines enabled us to avoid printing over 3.9 million pages over two years (2013 and 2014). The extension of this programme beyond Europe is under review;
- incorporate sustainability criteria in the purchasing of hardware and see that it is properly processed at end of life. In France, computers and telephones at end of life have since 2012 been given to the company Dataserv, which calls on companies working in the protected sector to dismantle the products. This procedure was successfully tested in Spain and Portugal in 2014;
- facilitate collaboration among Groupe SEB employees by offering alternatives to travel. The global deployment of the Lync instant communication software has had a significant effect on reducing travel: in 2014 it made it possible to hold an average of 3,700 meetings per month and over 230,000 one to one connections. A new video conference system was also installed.

(1) The weighted loading rate is the sum of the loading rates for the various types of containers or lorries weighted by the percentage of the number of transport units used in the year.

3.10 REPORT BY ONE OF THE STATUTORY AUDITORS

appointed as an independent third party, on the consolidated environmental, labour and social information presented in the management report

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 readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

FOR THE YEAR ENDED DECEMBER 31ST, 2014

To the shareholders,

In our capacity as Statutory Auditor of SEB S.A., appointed as an independent third party and certified by COFRAC under number 3-1060[1], we hereby present to you our report on the consolidated environmental, labour and social information for the year ended 2014, 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:

- attest 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 (Attestation of completeness of CSR Information);
- express limited assurance that CSR Information, taken as a whole, is, in all material respects, fairly presented in accordance with the Guidelines (Formed conclusion on the fairness of CSR Information).

Our work was carried out by a team of five people between September, 2014 and March, 2015 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 French professional auditing standards related to labour and environmental information falling within the scope of procedures directly related to the statutory audit engagement (NEP 9090), with the decree of 13 May 2013 determining the conditions in which the independent third party performs its engagement and with ISAE 3000[2] concerning our formed conclusion on the fairness of CSR Information

1. ATTESTATION OF COMPLETENESS OF CSR INFORMATION

On the basis of interviews with the individuals in charge of the relevant departments, we reviewed the Company's sustainable development strategy with respect to the labour and environmental impact of its activities and its social commitments and, where applicable, any initiatives or programmes it has implemented as a result.

We compared 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.

(1) Whose scope is available at www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We verified that 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 information, in paragraph 3.4 of the management report.

Based on this work and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

2. FORMED CONCLUSION ON THE FAIRNESS OF CSR INFORMATION

Nature and scope of our work

We conducted around 80 interviews with those responsible for preparing 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 terms of their relevance, completeness, reliability, impartiality and comprehensibility, and taking into account best practices where appropriate ;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of CSR Information and reviewed the internal control and risk management procedures used to prepare CSR Information.

We determined the nature and scope of our tests and controls according to the nature and importance of CSR Information with respect to the characteristics of the Company, the labour and environmental challenges of its activities, its sustainable development policy and best practices.

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

- at parent entity, we consulted documentary sources and conducted interviews to substantiate the qualitative information (organisation, policy, action), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in concordance with the other information in the management report;
- at the level of a representative sample of entities/divisions/sites selected by us(3) on the basis of their activity, their contribution to the consolidated indicators, their location and risk analysis, we conducted interviews to ensure that procedures are followed correctly and to identify any undisclosed data, 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 33% and 67% of quantitative social information, 40% of the corporate sponsorship spending and between 20% and 78% 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. Due to the use of sampling techniques and other limitations intrinsic to the operation of information and internal control systems, we cannot provide absolute assurance that CSR information disclosed is free of material misstatements.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that 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, March 18th 2015

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

(3) The entities and sites selected are: Pont Evêque (CALOR SAS), Saint Jean de Bournay (CALOR SAS), Mayenne (GROUPE SEB MOULINEX), Is sur Tille (SAS SEB), Cajica (GS COLOMBIA), Rionegro (GS COLOMBIA), Shaoxing Prod. (SUPOR CHINA) et Hangzhou Prod. (SUPOR CHINA).

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 employee-management dialogue, including an indicator of collective bargaining agreements,
- Workplace health and safety conditions,
- Workplace accidents, in particular their frequency and severity, and occupational diseases,
- 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 sponsorship actions, including an indicator of total corporate philanthropy spending,
- Inclusion of social and environmental criteria in the procurement 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. 2014 HIGHLIGHTS

General environment

Macroeconomic conditions in 2014 were still uneven. Apart from the major crises that beset certain regions and the monetary turbulence seen in the period, the 2014 financial year was torn between strongly positive trends in certain geographic areas and poor conditions in others. In mature markets, the economy continued to recover gradually in Europe, though with differing levels of growth country by country, while in the United States a favourable environment continued to foster household consumption. In Japan, on the other hand, the environment turned out to be very challenging. In the emerging markets, economic conditions varied from one country to another. In Latin America the economic climate was strained, particularly in Brazil, affecting demand, while Argentina came close to defaulting on its payments. Russia for its part saw a major economic slowdown because of international sanctions due to the conflict in Ukraine and the fall in oil prices in the second half of the year, leading to a collapse of the ruble against the euro by year end. By contrast, China's dynamism remained strong.

Against this backdrop, the Small Household Equipment market remained active, showing its resistance to cyclical downturns. It was bolstered both by product replacements and upgrades in advanced economies, 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 preparation, electrical cooking, home care (vacuum cleaners), fans (favourable weather conditions in the most affected geographical areas) or cookware, whereas linen care and beverage preparation stalled. As in 2013, 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.

The transformation of the retail sector continued, especially with the rapid development of e-commerce. Even if one observed a few defaults and store closings, no major business failures occurred in 2014. The Group did not suffer significant late payment problems and maintained high credit insurance levels.

Currencies

2014 again saw great volatility in currencies and a drop, often very significant, in the majority of them against the euro, continuing or amplifying the trends seen in the second half of 2013. The changes cited below are based on average exchange rates as compared to 2013. The Russian ruble, trending downward since the second half of 2013, experienced a huge loss of value toward the close of 2014. The currency fell 17% against the euro, but ended the period close to its all-time low. Besides the Russian ruble, many currencies lost value versus the euro. This is the case for the Turkish lira (down 12.9%), the Brazilian real (down 8.2%), the Colombian peso (down 6.5%), the Canadian dollar (down 6.8%), the Ukrainian hryvnia (down 31.7%) and the Mexican peso (down 3.9%). The yen fell yet again (7.7%) after its devaluation in 2013 and presented a major challenge for the Group in 2014 with the expiration of hedges taken in 2012 which had protected the Group's earnings in 2013.

The US dollar and the Chinese yuan held fairly stable during the year, on average, but clearly rose in value by the close of the year. A few currencies strengthened, such as the Korean won (3.9%) and the British pound (5.3%).

These changes resulted in a negative effect on sales of €132 million, versus a negative effect in 2013 of €116 million and a positive impact in 2012 of €114 million. This trend hurt profitability, with a -€94 million impact on operating result from activity in 2014. The Group took corrective actions such as price increases and strict cost controls, aimed at lessening the impact of currencies 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 manufacture 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 the prices of raw materials 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 2014, raw material prices showed little change generally speaking.

The price of aluminium was stable in 2014 with an average price of $1,895 per tonne ($1,887 in 2013). The price of copper followed a downward trend (-7%) with an average price of $6,830 per tonne, versus $7,325 in 2013. Lastly, nickel experienced a rise in 2014 (+12%) with an average price of $16,950 per tonne ($15,080 in 2013). It should be recalled, nonetheless, that in order to smooth out the effect of these variations, the Group has implemented a hedging policy on 6 to 12 rolling months for a significant portion of its metal needs.

Plastics rose slightly in 2014 despite the drop in oil prices starting in the summer. It should be noted that the Group purchases mainly pre-manufactured plastic parts, which means that the impact of changes in oil prices has less of an effect on its purchasing prices.

The prices of outsourced finished goods stabilised despite wage inflation in China, owing to the purchasing terms negotiated and suppliers' productivity gains. The Group's index of purchased finished goods for 2014 was therefore unchanged from 2013.

Appointments to the Board of Directors

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

Bertrand Neuschwander appointed Chief Operating Officer

On 22 April 2014 the Board of Directors, at the recommendation of its Chairman Thierry de La Tour d'Artaise, appointed Bertrand Neuschwander as Chief Operating Officer of Groupe SEB. As part of his new role, Bertrand Neuschwander assists Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer, with the operational management of Groupe SEB. An Engineering graduate from the National Agronomic Institute of Paris-Grignon and holder of an MBA from INSEAD business school, Bertrand Neuschwander was CEO at Devanlay/Lacoste after having led the Aubert Group for nine years. He began his career at Arthur Andersen in 1987, before joining Apax Partners & Cie in 1991. He joined Groupe SEB in 2010, first as Senior Executive Vice-president for Business Units and then, since 2012, as Senior Executive Vice-president for Strategy and Business Units.

Acquisition of the remaining shares in Maharaja Whiteline

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

Production of kitchen and bathroom scales stopped at Rumilly

The Group discontinued the production of bathroom scales and kitchen scales at he Rumilly site on 31 October 2014. The discontinuation had no impact on jobs. Following the procedure to inform and consult the Works Council and the Health and Safety Committee, the 36 production employees were offered a reassignment within Rumilly's non-electrical cookware activity, as well as individual transfer support (mentoring, training, etc.) aimed at facilitating their reassignment. The scales innovation and "smart products" activities, which employ 11 people, remain based in Rumilly.

Early renewal of the syndicated credit facility

In keeping with its proactive financial management, last July Groupe SEB renegotiated with its banks its €560 million syndicated line of credit established in 2011 and expiring in February 2016. Taking advantage of favourable market conditions and making use of the same seven-bank pool, the Group signed a new syndicated facility of €560 million on 31 July 2014 for five years, with two options for one-year extensions. This financing supports the €600 million commercial paper programme but can also be used for any other needs. Through this early renewal, the Group has bolstered its financial structure and lowered its financing costs.

Awards for Groupe SEB

In 2014, Groupe SEB received a wide variety of distinctions:

GROUPE SEB FRANCE'S CONSUMER SERVICES DEPARTMENT VOTED CUSTOMER SERVICE OF THE YEAR

In October 2014, the Consumer Services department of Groupe SEB France won the 2015 award for Best Customer Service. This yearly competition evaluates the quality of customer relations at selected companies, screening all points of contact with consumers: telephone calls, contact forms or emails, social networks and navigating six of our branded sites (Seb, Calor, Moulinex, Krups, Tefal and Rowenta). No fewer than 3,150 criteria were evaluated over 10 weeks of testing, and 215 mystery tests were conducted.

SHAREHOLDER RELATIONS AWARD

Groupe SEB won three awards in the first shareholder relations competition of the French "Le Revenu" magazine (*Trophées de la Relation Actionnaires*). These awards are given to companies judged to be the most deserving based on evaluations in the following categories: Best Shareholder Services, Best Shareholder Meeting, and Best Website. The Group received the silver medal for the Best Shareholder Meeting, the bronze for the Best Website and the bronze for the Overall trophy (all categories combined).

PURCHASING AWARD

The eighth annual purchasing awards organised by the French professional purchasing association (Compagnie des Dirigeants et Acheteurs de France) recognised the Groupe SEB Purchasing department (Paris, 16 June) for the way it transformed the function in two years. The judges, all purchasing professionals, selected the best of their peers in seven categories. In the most prestigious one, "Purchasing Director and Team of the Year", Groupe SEB was noted for installing a worldwide professional purchasing system: 300 people in 11 countries working closely with the business lines and pursuing value creation, performance and cost efficiency objectives..

4.2. COMMENTARY ON CONSOLIDATED SALES

Sales *(in € millions)*	**2014**	2013	Change *(based on exact figures, not rounded)* Reported	Like-for-like
France	700	666	+5.1%	+5.1%
Other Western European countries	849	821	+3.5%	+2.8%
North America	496	468	+5.9%	+4.0%
South America	421	426	-1.3%	+6.9%
Asia-Pacific	1.132	1,087	+4.2%	+7.9%
Central Europe, Russia and other countries	655	693	-5.6%	+0.4%
TOTAL	**4,253**	**4,161**	**+2.2%**	**+4.6%**

Sales *(in € millions)*	**4th quarter 2014**	4th quarter 2013	Change *(based on exact figures, not rounded)* Reported	Like-for-like
France	275	252	+9.2%	+9.2%
Other Western European countries	305	305	-0.0%	-1.2%
North America	171	149	+14.4%	+5.0%
South America	128	119	+7.3%	+11.0%
Asia-Pacific	315	296	+6.6%	+3.5%
Central Europe, Russia and other countries	204	207	-1.4%	+7.0%
TOTAL	**1,398**	**1,328**	**+5.3%**	**+4.9%**

The global macro-economic environment in 2014 was marked by weak growth, underpinned by a climate of uncertainty or turbulence in several emerging countries and critical situations in certain regions of the world. It was also a year of extreme volatility on the foreign exchange markets with many currencies showing persistent weakness against the euro. The situation worsened in the fourth quarter when the rouble collapsed, while the US dollar and Chinese yuan were getting stronger.

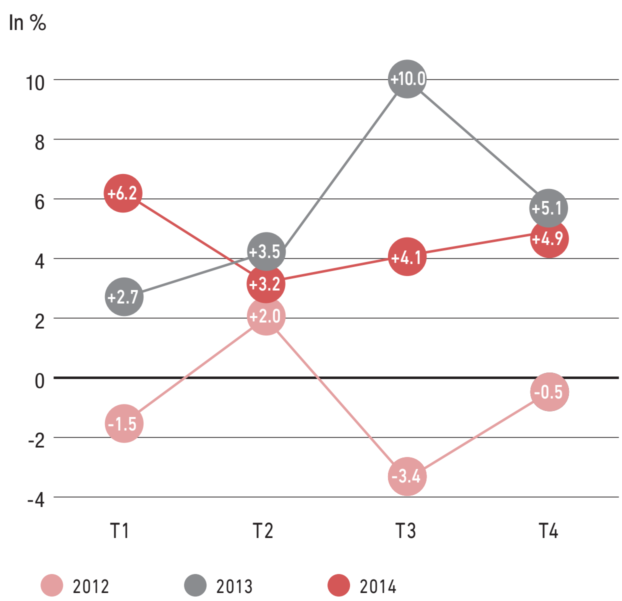
In a highly competitive and promotion-driven environment, the small household equipment market continued to grow overall but performed unevenly from one country to another.

With €4,253 million in 2014 sales, driven by higher volumes, Groupe SEB's reported growth stood at 2.2%, while growth was 4.6% on a like-for-like basis. Organic growth in 2014 was therefore strong, as announced, buoyed by the positive contribution of nearly all the Group's major markets with the exceptions of Russia and Japan. Once again, innovation proved to be a driver. In this environment, Group revenue rose by 2% in mature markets (which accounted for 54% of 2014 revenue) and by 8% in emerging economies (46% of the total).

Sales were impacted by a negative €132 million foreign exchange effect, in keeping with 2013's negative effect of €116 million. This effect was due to the drop in most of the Group's functional currencies against the euro and was largely incurred in the first half of the year. In the second half of the year the impact on revenue was more moderate, with several opposing trends offsetting each other.

The scope of consolidation effect represented an impact of +€33 million for the year and stemmed from the consolidation on 1 January 2014 of Groupe SEB India (formerly Maharaja Whiteline) and the Canadian company Coranco.

ORGANIC GROWTH IN SALES BY QUARTER IN 2012, 2013 AND 2014



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.

The Group's product dynamic once again held strong in 2014, 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, in particular in Brazil and Colombia, in particular thanks to fans which were driven by the success of the Turbo Silencio range. Asia also shared in the growth in this category, while the air dehumidifiers business also developed;
- **home care** turned in another year of solid sales growth. Bagless vacuum cleaners grew considerably due to product line extension and particularly to the Silence Force Multi Cyclonic, an ultra-quiet model that met with great success. Air Force vacuum cleaners continued their strong performance. In Europe, 2014 was the year that energy labelling of vacuum cleaners took effect, as well as the restriction on their power to 1,600W. This deadline had been anticipated, and therefore the Group had a product range entirely compliant with the new regulations as of 1 September 2014 and was among the best positioned in terms of the various performance criteria revealed by the labels;
- **food preparation** gave a very mixed picture and saw its activity dip somewhat due to the decline in meat mincers, a typical product on the Russian market, and to the slowdown in Fresh Express sales. Conversely, the business enjoyed brisk growth in sales of food processors with the roll-out of Cuisine Companion in France and its introduction in Spain, Portugal and Italy, three sizeable markets for this category;
- **linen care** showed solid revenue growth. Steam irons rose, particularly in France, Turkey and Mexico, which more than offset lower volumes in Russia and Japan. Steam generator sales were strong, driven particularly by France and the success of the Easy Control range. The Group benefited from the geographical spread of garment steamers, especially in South-East Asia;
- **personal care** suffered form the weakness of the Russian market and the discontinuation of a loyalty programme with a retailer in Spain. In hair care, sales were lacklustre in hair dryers but benefited from the success of the Volume 24 styler and the Steampod, the professional hair straightener designed in partnership with L'Oréal. Depilators remained almost flat with the continued success of the Soft Extreme painless depilator;
- **cookware** saw higher sales in 2014, despite a complicated base effect connected with a German retailer's loyalty programme. Business was notably bolstered by China, where Supor continued to gain market share. Fixed-handle frying pans and saucepans remained stable, with growth of All-Clad in North America, Colombia and China offsetting a negative base effect. The Ingenio ranges with removable handles performed well and benefited particularly from a loyalty programme with a French distributor. Pressure cookers rose due to growth in the Middle East and Canada and in the Clipso ranges, despite weak market conditions in France and Japan;
- **electrical cooking** turned in an outstanding year and benefited from a number of growth factors. Optigrill added to its success with high growth on the US market, fuelled by a constant broadening of its retail network and a roll-out in many countries. The Cookeo multicooker made new gains driven especially by an excellent performance on the French market. Actifry continues to expand, particularly due to the German market and the launch of the new generation of Actifry Express. The cost efficiencies gained by in-sourcing the production of the traditional fryers at Supor brought with them new sales growth and confirmation of our position as global leader. Rice cookers enjoyed high growth, bolstered by Supor's market share gains in China;
- **beverage preparation** has been growing slightly. In single-serve coffee, in markets that have remained highly competitive, the Group profited from the Inissia product launch, which sparked Nespresso sales, while Dolce Gusto successfully defended its position after a year of high growth in 2013. Automatic espresso machines continued to grow briskly due to the broadening of the range and increased market share in Germany. Home beer-tapping machines grew, led by Beertender and the introduction of The Sub. In kettles, the business suffered from a sharp drop in sales in Japan, which could not be offset by gains in China.

Geographical performance

FRANCE: A VERY GOOD END TO THE YEAR

In a French market growing slightly, Group sales accelerated sharply in the fourth quarter, rising by 9.2% on the back of an already strong third quarter, up 4.6%. The Group therefore recorded its sixth consecutive quarter of growth, as well as a very good second half. This vigorous performance was led by the small electrical appliance segment, which benefited from a strong product dynamic, and by a cookware loyalty program set up in November with a major retailer. It enabled the Group to continue to outperform the market and further strengthen its positions in France. In electrical appliances, the main growth drivers were once again food preparation appliances (mixers, blenders and, above all, the Cuisine Companion cooking food processor which has established a firm foothold in the market), the Cookeo multicooker, the sales of which have more than doubled, vacuum cleaners, Nespresso coffee makers, draught beer systems and traditional oil-based deep fryers. In ironing, business was more difficult but the Group outperformed a declining market and reinforced its positions. In personal care, Group sales were down on the prior year. Lastly, in a cookware market still decreasing, the Group enjoyed a good end to the year but was nonetheless unable to offset the lacklustre performance of the first nine months.

OTHER WESTERN EU COUNTRIES: SATISFACTORY BUSINESS

In other western European Union countries, the small electrical appliance market enjoyed solid growth in 2014 whereas the cookware market was more tense. Despite high-prior year comparatives, the Group performed well in nearly all European countries. On the year, sales showed organic growth of 2.8% despite a slight downturn in the fourth quarter (1.2% in organic terms). In Germany, the Group ended 2014 with sales on a par with the previous year, after experiencing a steep drop in the fourth quarter due to the high basis of comparison created by a major cookware loyalty program implemented in late 2013. Excluding the effects of this program, sales were significantly higher thanks to advances in fryers – led by Actifry –, the good start of the "Energy Label" vacuum cleaner range and very strong demand for full-automatic espresso machines. In the United Kingdom, growth remained firm throughout the year, with buoyant fourth quarter sales led by Nespresso and Dolce Gusto single-serve coffee makers, Actifry and Optigrill. In Spain, despite the absence of a large-scale loyalty program such as the one that boosted 2013 sales, the Group had a very good year in nearly all product families, further strengthening its position in a fast-recovering small electrical appliance market. The same applied in Italy, where, in the fourth quarter, we benefited from a vibrant demand for the Cuisine Companion cooking food processor and achieved strong sales of steam irons and Nespresso coffee makers. Lastly, in the Netherlands and Scandinavia, business recovered significantly compared with 2013 and was generally robust throughout the year.

NORTH AMERICA: A STRONGER GROWTH DYNAMIC

After a start to the year burdened by unfavourable weather conditions, the upturn in the US economy had a positive effect on our sales in North America: organic growth was 4% for the year. The pace of growth accelerated from one quarter to the next, led primarily by the United States where Group revenue rose by more than 8% in local currency in the fourth quarter. This strong performance was attributable to several factors. Cookware sales benefited from the combined effects of sharply higher demand for T-fal mid-range products, a strong dynamic of All-Clad in the premium segment and solid development of Imusa in ethnic items. In kitchen electrics, distribution of Optigrill was expanded and confirmed its success. In ironing, the introduction of new Rowenta and T-fal models and advances in garment steam brush helped to drive growth. The Group's stronger in-store and on-line presence also contributed to last year's performance, as did the success of several specific promotional campaigns. In Canada, in a market that was less buoyant and penalized by the decline in the Canadian dollar, Group sales stalled at the end of the year after months of uninterrupted growth. Full year sales remained nevertheless up slightly on 2013 on a like-for-like basis. Lastly, 2014 revenue in Mexico were also slightly higher than in the prior year in local currency, with growth led mainly by cookware and steam irons.

SOUTH AMERICA: FASTER GROWTH IN THE FOURTH QUARTER

By delivering a further acceleration of sales growth, the Group confirmed in the fourth quarter the solid performance achieved in the first nine months in South America. In Brazil, we had to face the uncertain economic environment, currency issues, higher inflation and lower consumer spending further hampered by the disruptive effect of the presidential elections. The weakness of the real led us to increase prices at the beginning of the year, putting additional pressure on sales. In this challenging environment, the Group nevertheless delivered strong growth, particularly in the fourth quarter when sales rose 11.3% like-for-like. Small electrical appliances – particularly fans and Dolce Gusto coffee machines, steam irons and semi-automatic washing machines – were the main growth drivers. The cookware segment remained more difficult but stabilized at the end of the year. In Colombia, the Group posted solid organic growth in 2014 after recording a moderate increase in sales in the fourth quarter. This performance was attributable to electrical appliances such as fans and steam irons, as well as to the extensive advertising and marketing support enjoyed by Imusa in connection with the events organised to celebrate the brand's 80th anniversary.

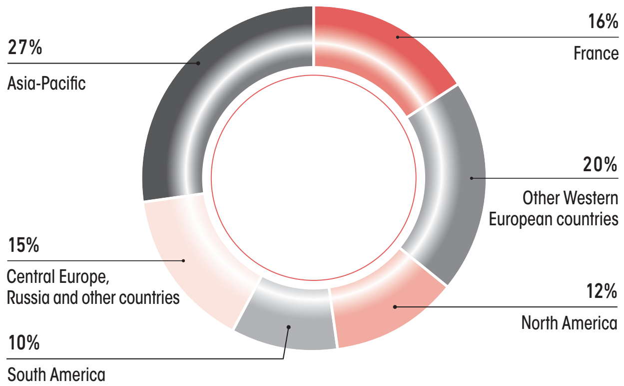
ASIA-PACIFIC: A GOOD OVERALL PERFORMANCE, EXCLUDING JAPAN

With sales up 4.2% as reported and 7.9% in local currencies, the Group had a satisfactory year in the Asia-Pacific region where the vibrant Chinese business contrasted with very difficult context in Japan. Fourth quarter sales were generally in line with the first nine months, although organic growth slowed slightly, to 3.5%. The Group had a very tough year in Japan, due to a number of negative factors such as the yen's weakness against the euro and the resulting price hikes that severely affected volumes, as well as the increase in the VAT rate on 1 April which dampened consumer spending. Despite action to overcome these difficulties, sales fell sharply in 2014, in stark contrast to the robust growth enjoyed in prior years. The picture was entirely different in China, where the Group enjoyed extremely vigorous growth in all four quarters. In a well oriented small household equipment market, deployment of an offer enhanced by a steady stream of new products, continued expansion across the country, particularly in Tier 3 and Tier 4 cities, and accelerated growth in on-line sales helped Supor to further strengthen its positions in both cookware and small electrical appliances. In the vast majority of other countries in the region, business was very satisfactory. This was particularly the case in South Korea, which delivered a strong year.

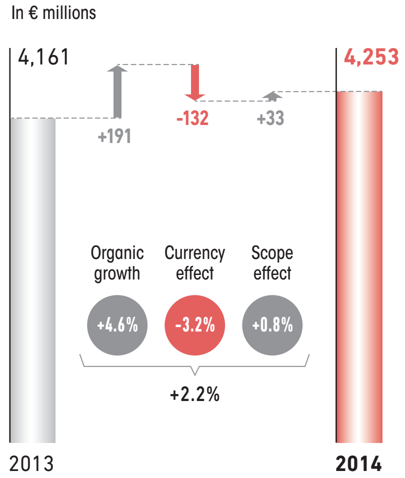
CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES: FIRM BUSINESS, HELD BACK BY RUSSIA

The Group's business in this region was badly affected by the crisis in Russia and Ukraine and by major currency issues (particularly for the rouble, the Turkish lira and the Ukrainian hryvnia). In Russia our 2014 revenue fell sharply at constant rates of exchange. The economic conditions worsened as the months went by, and demand was reduced by higher inflation. In a fiercely competitive, promotion-driven environment, the rouble's collapse in December made the situation even more difficult in the latter part of the year. Nevertheless, sales were almost stable in the fourth quarter, thanks to a rebound in demand for certain product categories and to two loyalty programs set up with retailers. But the current general situation and the poor outlook do not allow us at this point to extrapolate this performance into 2015. The same is true for the net turnaround in our revenue and market share in Ukraine at the close of the year. In Central Europe, the Group achieved very satisfactory performance over the year and enjoyed vigorous growth in the fourth quarter, particularly in Poland. In Turkey, after two difficult years, the Group saw a return to a very robust organic growth and considerably strengthened its market positions, thanks in particular to significant advances in linen care and vacuum cleaners. Lastly, the Group had a good year in the Middle East and Egypt, despite a more challenging environment over the last months.

✚ GEOGRAPHICAL BREAKDOWN OF 2014 SALES



✚ 2013-2014 SALES GROWTH



4.3. COMMENTARY ON THE CONSOLIDATED RESULTS

Income statement

Operating result from activity was down 10.3% compared with 2013 (€368 million), severely penalised by a €94 million negative currency effect, about three times higher than in 2013. This impact stemmed mainly from the depreciation of the rouble, yen, Brazilian real and Turkish lira against the euro. Operating result from activity on a like-for-like basis came to €462 million, up 12.6%, higher than the 7.2% growth achieved in 2013.

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

- a positive volume effect of €60 million (versus +€66 million in 2013), resulting from the strong organic growth in sales, particularly in China, France, Eastern Europe and on the American continent;
- a return to a positive price mix (+€13 million), due partly to compensatory price increases in countries with a sharp currency depreciation (Russia, Japan, Brazil, etc.) and partly to an improved product mix driven by new product launches and upselling;
- improved operating efficiency, which generated €28 million in savings during the period. Driven by gains in productivity, steps to simplify processes and savings in purchasing, this efficiency more than offset industrial sub-production at certain plants in France in relation to the situation in Russia;
- a €26 million increase in growth drivers, including a more than 7% like-for-like increase in spending on advertising and marketing;
- higher selling and administrative costs, in the amount of €23 million, reflecting the reinforcement of teams in the field, growth support investments at Supor, scope effects and one-off costs related to the new head office.

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

Net financial expense continued to improve and amounted to -€49 million, compared with -€55 million in 2013. Financial expenses on debt were unchanged from last year at -€31 million and are the result of a Group average rate of financing and average debt that were generally stable over the period. Other financial expenses improved and benefited from the non-recurrence of the €7.5 million provision for the impairment of shares in the Indian company Maharaja Whiteline, which had an adverse effect in 2013.

Net attributable profit to owners of the parent amounted to €170 million, down 14.9% compared with 2014. This decline resulted almost entirely from the decline in operating profit. Income tax expense was lower at €71 million versus €87 million last year, representing an effective tax rate of 26.9% (28.2% in 2013). Net attributable profit to non-controlling interests was up €24 million (versus €22 million in 2013), reflecting an excellent performance by Supor in China.

Balance sheet

Consolidated equity stood at €1,724 million at 31 December 2014, versus €1,532 million at 31 December 2013, including a contribution from non-controlling interests of €174 million (€143 million at 31 December 2013). This change was primarily the result of the following factors:

- positive currency translation adjustments of €70 million resulting from the rise in the Chinese yuan versus the euro at the close of the period;
- the net total profit for the year, amounting to €194 million, less the dividends paid in 2014 for 2013, i.e. €78 million.

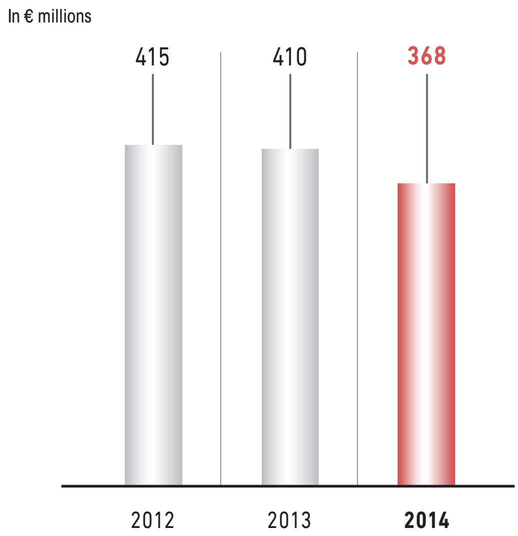
Equity is reported net of treasury stock. At year-end 2014, the Group held 1,291,242 own shares, versus 1,412,347 at year-end 2013. This change arose from the sale of shares upon the exercise of purchase options.

Net debt amounted to €453 million, versus €416 million at end-December 2013. This change represented a solid cash generation from operations (€175 million), an outflow of €78 million for dividends and several extraordinary outflows (investment in the Group's new headquarters, purchase of non-controlling interests in Asia Fan and Maharaja Whiteline and the buyback of shares). Working capital requirements, unchanged in value, improved slightly as a ratio, representing 22.4% of sales at year-end, versus 22.7% one year before.

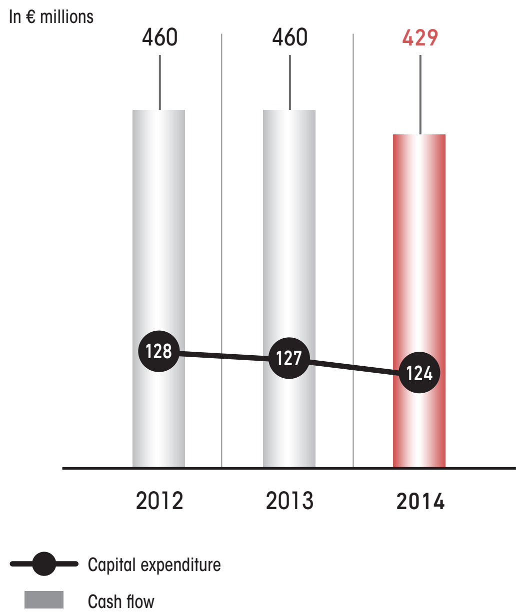
The ratio of net debt-to-equity equalled 26%, versus 27% at year-end 2013, while the ratio of net debt-to-EBITDA stood at 1.00x versus 0.86x at year-end 2013. The Groupe SEB balance sheet remains strong and relies on a solid and diversified financial structure. Further information on the borrowing terms and the funding structure are available in Note 24 to the Consolidated Financial Statements.

Capital expenditures totalled €124 million, near 2013 levels (€127 million). In general, they were principally for tangible assets (approximately 70%), with almost equivalent distribution between moulds and tools for new products on the one hand and production equipment (installation of new assembly lines, injection presses, etc.) and/or the renovation of buildings on the other. 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.

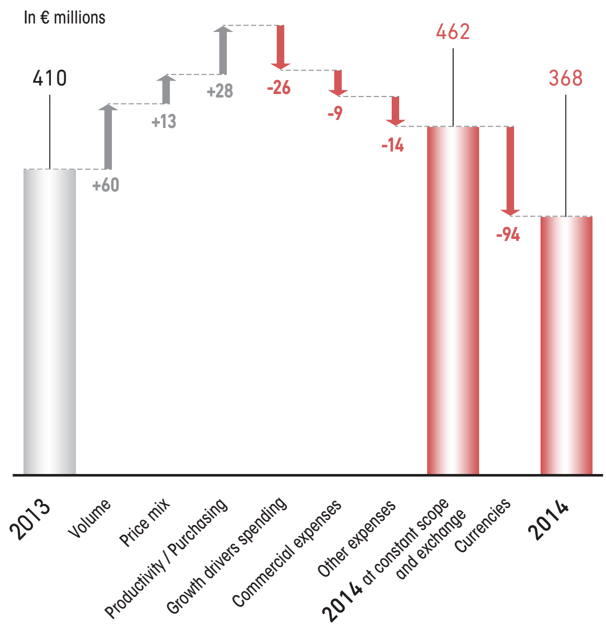
✚ CHANGE IN OPERATING RESULT FROM ACTIVITY



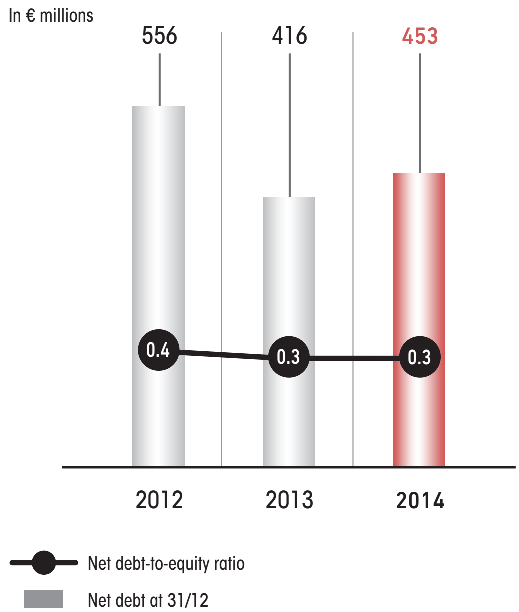
✚ CASH FLOW AND CAPITAL EXPENDITURE



✚ BREAKDOWN OF OPERATING RESULT FROM ACTIVITY



✚ NET DEBT AND DEBT RATIO



4.4. OUTLOOK

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

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

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

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

4.5. ACTIVITY AND EARNINGS 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: €147.2 million (€158.4 million in 2013);
- expense:
  - fees for services provided by SEB Développement, a subsidiary of SEB S.A., totalling €2.7 million (€2.8 million in 2013).

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 €82.7 million for the period (€153.1 million in 2013).

Significant events of the year

BERTRAND NEUSCHWANDER APPOINTED CHIEF OPERATING OFFICER AND A NEW EMPLOYEE OF SEB S.A.

The Board of Directors, at the recommendation of its Chairman Thierry de La Tour d'Artaise, appointed Bertrand Neuschwander as Chief Operating Officer of Groupe SEB. With this appointment, the Group, which has doubled in size in the last ten years, aimed to strengthen its operational efficiency and accelerate its growth. Accordingly, Bertrand Neuschwander became an employee of SEB S.A. during the period.

SYNDICATED CREDIT RENEWED EARLY

In keeping with its proactive financial management, last July SEB S.A. renegotiated with its partner banks its €560 million syndicated line of credit established in 2011 and expiring in February 2016.

Taking advantage of market conditions favourable to borrowers and making use of the same seven-bank pool, the Group signed a new syndicated facility of €560 million, the same amount, on 31 July 2014 for five years, with two options for one-year extensions, This financing supports the €600 million commercial paper programme but can also be used for other needs.

5

CONSOLIDATED FINANCIAL STATEMENTS

5.1. FINANCIAL SUMMARY

(in € millions)	**2014**	2013	2012	2011 (f)	2010 (f)	2009	2008	2007 (f)	2006 (f)	2005 (a) (f)
RESULTS										
Sales in France	700	666	689	705	712	685	668	640	595	591
Sales outside France	3,553	3,495	3,371	3,258	2,940	2,491	2,562	2,230	2,057	1,872
Total sales	4,253	4,161	4,060	3,963	3,652	3,176	3,230	2,870	2,652	2,463
Operating result from activities (formerly Operating margin)	368	410	415	455	438	355	342	301	262	262
Operating profit	314	364	368	402	349	248	279	237	153	183
Profit attributable to owners of the parent	170	200	194	236	220	146	152	145	87	102
Depreciation, amortisation and impairment losses	123	112	109	115	117	124	110	88	97	114
Employee benefits expense (b)	753	737	698	665	627	549	563	540	534	516
Discretionary and non-discretionary profit sharing and matching contributions to employee savings plans	33	37	48	44	50	33	38	33	26	29
EBITDA (c)	434	475	475	516	468	372	388	329	247	291
Adjusted EBITDA (e)	455	485	474	511	488	416	394	351	324	323
BALANCE SHEET (AT 31 DECEMBER)										
Equity attributable to owners of the parent	1,650	1,460	1,395	1,279	1,487	1,169	992	814	770	757
Net debt	453	416	556	673	131	243	649	658	422	423
Non-current assets	1,593	1,413	1,434	1,453	1,249	1,163	1,184	1,060	766	773
Capital expenditure	201	127	128	131	140	109	116	92	85	99
Inventories	823	731	681	702	635	466	615	528	517	450
Trade receivables	768	740	836	828	733	627	646	627	646	630
Net cash from operating activities	271	298	313	242	256	558	165	228	154	153
Number of employees at 31 December	25,759	24,682	24,758	24,927	23,058	20,663	18,879	13,048	13,741	14,396
SHARES *(in €)* (g)										
Total number of shares outstanding *(in thousands)*	50,169	50,169	50,169	49,952	49,952	49,952	50,912	50,881	51,057	50,940
Weighted average number of shares (in thousands)	48,694	48,344	47,718	47,886	47,414	46,477	47,326	48,620	48,610	48,888
Adjusted diluted earnings per share	3.45	4.08	4.01	4.81	4.54	3.13	3.18	2.92	1.78	2.07
Dividend per share	1.44	1.39	1.32	1.25	1.17	1.04	0.94	0.93	0.85	0.8
Dividend yield per share *(in %)* (d)	2.34	2.12	2.37	2.15	1.51	2.62	4.38	2.26	2.37	2.61
Share price high/low: High	68.99	69.5	67.85	82.15	82.78	40.53	44.00	48.15	38.07	30.88
Low	56.85	51.5	46.70	52.0	39.15	16.44	19.71	35.33	26.70	26.10
Price at 31 December	61.57	65.7	55.71	58.12	77.73	39.70	21.46	41.33	35.87	30.67
Stock market capitalisation *(in € millions)*	3,088.9	3,296.1	2,794.9	2,903.2	3,882.8	1,983	1,093	2,103	1,831	1,562
Average daily trading volume (number of shares)	56,210	75,245	90,232	143,151	107,282	88,830	117,527	127,638	75,681	63,243

(a) Including Lagostina since [1] May 2005 and Panex since 1 June 2005.
(b) 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.
(c) 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").
(d) Dividend for the year expressed as a percentage of the closing share price at the year-end.
(e) Earnings before interest, taxes, depreciation and amortisation (including amortisation and impairment losses reported under "Other operating income and expense").
(f) The balance sheets and income statements for 2005, 2006, 2007, 2010 and 2011 were restated in subsequent years. The restatements were not material.
(g) Figures were restated following the three-for-one share split.

5.2. CONSOLIDATED RATIOS

(in %)	2014	2013	2012	2011 [b]	2010 [b]	2009	2008	2007	2006	2005
PROFITABILITY RATIOS										
Return on equity before appropriation of previous year's profit	11.09	13.66	14.47	15.27	18.04	15.69	18.85	17.71	10.88	14.83
Net margin	4.00	4.80	4.78	5.96	6.03	4.59	4.69	5.04	3.28	4.13
FINANCIAL RATIOS										
Net debt/Shareholder's equity before appropriation [c]	26.27	27.14	38.04	50.14	8.48	22.52	71.64	76.12	51.7	52.85
Finance costs, net/revenue	1.15	1.32	1.54	0.68	0.44	0.86	1.5	1.21	1.15	1.02
Net debt/Adjusted EBITDA (in value) [c]	1.00	0.86	1.17	1.32	0.27	0.59	1.65	1.87	1.3	1.31
INVESTMENT RATIOS [a]										
Investments/revenue	4.73	3.05	3.14	3.55	3.86	3.44	3.6	3.2	3.21	4.03

(a) Capital expenditure on property, plant and equipment, software and development costs.
(b) Restated for the effects of applying IAS 19R.
(c) Following the new definition of net debt Note 1.4.8.

5.3. FINANCIAL STATEMENTS

Consolidated income statement

Years ended 31 December

(in € millions)	**31/12/2014**	31/12/2013	31/12/2012
Revenue (note 3)	4,253.1	4,161.3	4059.7
Operating expenses (note 4)	(3,885.1)	(3,750.9)	(3,644.3)
OPERATING RESULT FROM ACTIVITY [A]	**368.0**	**410.4**	**415.4**
Statutory and discretionary employee profit-sharing (note 5)	(33.3)	(37.2)	(48.2)
RECURRING OPERATING PROFIT	**334.7**	**373.2**	**367.2**
Other operating income and expense (note 6)	(21.0)	(9.5)	0.4
OPERATING PROFIT	**313.7**	**363.8**	**367.6**
Finance costs (note 7)	(31.2)	(31.0)	(29.3)
Other financial income and expense (note 7)	(17.8)	(23.9)	(33.4)
Share of profits of associates			
PROFIT BEFORE TAX	**264.7**	**308.9**	**304.9**
Income tax expense (note 8)	(71.2)	(87.2)	(94.2)
PROFIT FOR THE PERIOD	**193.5**	**221.7**	**210.7**
Non-controlling interests (note 20)	(23.6)	(22.0)	(16.5)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**170.0**	**199.8**	**194.2**
EARNINGS PER SHARE *(IN €)*			
Basic earnings per share (note 9)	3.49	4.13	4.07
Diluted earnings per share (note 9)	3.45	4.08	4.01

The accompanying notes 1 to 32 are an integral part of these Consolidated Financial Statements.

Consolidated statement of comprehensive income

(in € millions)	**31/12/2014**	31/12/2013	31/12/2012
Profit for the period	193.5	221.7	210.7
Exchange differences on translating foreign operations	69.8	(81.2)	(25.9)
Gains (losses) on cash flow hedges	35.1	(12.5)	10.7
Restatement of employee benefit obligations, net of tax [a] [b]	(9.4)	0.2	(20.3)
Other comprehensive income	95.6	(93.5)	(35.5)
COM PREHENSIVE INCOME	**289.1**	**128.2**	**175.2**
Non-controlling interests	(39.5)	(19.2)	(14.4)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**249.6**	**109.0**	**160.8**

(a) Items that will not be reclassified to profit or loss.
(b) 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)*	**31/12/2014**	31/12/2013	31/12/2012
Goodwill (note 10)	512.1	448.2	461.7
Other intangible assets (note 10)	464.1	411.8	434.0
Property plant and equipment (note 11)	587.1	485.9	491.0
Investments in associates (note 13)			
Other investments (note 13)	16.0	57.4	38.0
Other non-current financial assets (note 13)	13.9	9.5	9.1
Deferred tax assets (note 8)	34.9	52.0	47.9
Other non-current assets (note 17)	5.9	6.0	9.0
Long-term derivative instruments (note 25)	8.5		
NON-CURRENT ASSETS	**1,642.5**	**1,470.8**	**1,490.8**
Inventories (note 15)	822.8	731.1	681
Trade receivables (note 16)	768.3	740.2	835.8
Other receivables (note 17)	137.8	116.7	83.8
Current tax assets	35.0	33.3	41.0
Short-term derivative instruments (note 25)	50.9	2.8	14.9
Other financial investments (note 24)	172.5		
Cash and cash equivalents (note 18)	341.4	426.3	398.7
CURRENT ASSETS	**2,328.7**	**2,050.4**	**2,055.1**
TOTAL ASSETS	**3,971.2**	**3,521.2**	**3,545.9**

EQUITY AND LIABILITIES *(in € millions)*	**31/12/2014**	31/12/2013	31/12/2012
Share capital (note 19)	50.2	50.2	50.2
Reserves and retained earnings (note 19)	1,579.9	1,414.2	1,372.7
Treasury stock (note 19)	(79.0)	(74.7)	(91.1)
Equity attributable to owners of the parent	**1,551.0**	**1,389.7**	**1,331.8**
Non-controlling interests (note 20)	**173.5**	**142.6**	**130.3**
EQUITY	**1,724.5**	**1,532.3**	**1,462.1**
Deferred tax liabilities (note 8)	65.3	71.3	82.0
Long-term provisions (note 21)	192.9	180.9	179.7
Long-term borrowings (note 24)	576.9	627.0	653.6
Other non-current liabilities (note 23)	38.4	33.3	30.8
Long-term derivative instruments (note 25)	1.9		
NON-CURRENT LIABILITIES	**875.4**	**912.5**	**946.1**
Short-term provisions (note 21)	55.6	45.6	50.6
Trade payables (note 23)	637.3	524.8	508.0
Other current liabilities (note 23)	260.3	251.3	239.7
Current tax liabilities	20.8	26.6	31.4
Short-term derivative instruments (note 25)	8.2	13.5	9.5
Short-term borrowings (note 24)	389.1	214.6	298.6
CURRENT LIABILITIES	**1,371.3**	**1,076.4**	**1,137.7**
TOTAL EQUITY AND LIABILITIES	**3,971.2**	**3,521.2**	**3,545.9**

The accompanying notes 1 to 32 are an integral part of these Consolidated Financial Statements.

Consolidated cash flow statement

Years ended 31 December

(in € millions)	31/12/2014	31/12/2013	31/12/2012
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**170.0**	**199.8**	**194.2**
Depreciation, amortisation and impairment losses (note 10 and 11)	122.8	111.7	109.0
Change in provisions (note 21)	3.7	8.9	4.6
Unrealised gains and losses on financial instruments (note 25)	(6.3)	(2.9)	(1.9)
Income and expenses related to stock options (note 19.2)	10.2	6.0	9.0
Gains and losses on disposals of assets	2.7	(3.2)	
Other			
Non-controlling interests (note 20)	23.6	22.0	16.5
Current and deferred taxes (note 8)	71.2	86.5	97.3
Finance costs, net (note 7)	31.2	31.2	31.1
CASH FLOW [(a)]	**429.2**	**459.9**	**459.7**
Change in inventories (note 15)	(70.2)	(89.4)	15.3
Change in trade receivables (note 16)	(28.9)	37.3	(17.1)
Change in trade payables (note 23)	72.8	36.1	(3.4)
Change in other receivables and payables (note 17 and 23)	(6.1)	(23.4)	(7.6)
Income taxes paid	(94.6)	(91.2)	(103.1)
Interest paid, net	(31.2)	(31.2)	(31.1)
NET CASH FROM OPERATING ACTIVITIES	**271.0**	**298.1**	**312.7**
Proceeds from disposals of assets (note 11)	6.6	11.5	5.6
Purchases of property, plant and equipment (note 11)	(187.6)	(114.2)	(111.3)
Purchases of software and other intangible assets (note 10)	(13.4)	(12.8)	(16.3)
Purchases of financial assets (note 13 et 24)	(171.1)	(3.1)	(12.2)
Acquisitions of subsidiaries, net of the cash acquired (note 2)	5.9	(25.2)	
Effect of other changes in scope of consolidation (note 2)			
NET CASH USED BY INVESTING ACTIVITIES	**(359.7)**	**(143.8)**	**(134.2)**
Change in long-term borrowings (note 24)	(50.1)	39.2	121.6
Change in short-term borrowings (note 24)	173.8	(132.4)	(35.5)
Issue of share capital (note 19)			9.3
Transactions between owners (note 20)	(23.2)	(10.2)	(1.3)
Change in treasury stock (note 19.4)	(6.0)	21.2	(4.7)
Dividends paid, including to non-controlling shareholders	(78.0)	(73.6)	(67.8)
NET CASH USED BY FINANCING ACTIVITIES	**16.5**	**(155.9)**	**21.5**
Effect of changes in foreign exchange rates	(12.7)	29.1	2.7
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**84.9**	**27.6**	**202.7**
Cash and cash equivalents at beginning of period (note 18)	426.3	398.7	196.0
Cash and cash equivalents at end of period (note 18)	341.4	426.3	398.7

(a) Before interest and income taxes paid.

Consolidated statement of changes in equity

(in € millions)	Share capital	Share premium account	Other reserves and retained earnings	Translation Reserve	Treasury Stock	Equity attributable to owners of the parent	Non controlling interests	Equity
AT 31 DECEMBER 2011	**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 19)	**50.2**	**88.1**	**1,243.1**	**83.0**	**(74.7)**	**1,389.7**	**142.6**	**1,532.3**
Profit for the period			170.0			170.0	23.6	193.5
Other comprehensive income			25.7	53.9		79.6	15.9	95.5
Comprehensive income			*195.7*	*53.9*		*249.6*	*39.5*	*289.1*
Dividends paid			(70.2)			(70.2)	(7.8)	(78.0)
Issue of share capital								
Reduction of share capital								
Changes in treasury stock					(4.4)	(4.4)		(4.4)
Gains (losses) on sales of treasury stock, after tax			(1.0)			(1.0)		(1.0)
Exercise of stock options			7.1			7.1		7.1
Other movements			(19.8)			(19.8)	(0.8)	(20.6)
AT 31 DECEMBER 2014 (NOTE 19)	**50.2**	**88.1**	**1,354.8**	**137.0**	**(79.0)**	**1,551.0**	**173.5**	**1,724.5**
2014 RECOMMENDED DIVIDEND						**(74.5)**		**(74.5)**
BALANCE AFTER APPROPRIATION AT 31 DECEMBER 2014	**50.2**	**88.1**	**1,354.8**	**137.0**	**(79.0)**	**1,476.5**	**173.5**	**1,650**

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 reference in the design, manufacture and marketing of cookware and small household appliances: pressure cookers, irons and steam generators, kettles, coffee makers, 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 24 February 2015.

As a company listed in a European Union country and in compliance with European Commission regulation 1606/2002/EC dated 19 July 2002, the 2014 Consolidated Financial Statements and the 2013 and 2012 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 2014, 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 2014

Since 1 January 2014 the following standards, amendments and interpretations whose application is mandatory are:

- the "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:
  - IFRS 10 introduces a new definition of control based on power, the exposure (and rights) to variable returns and the ability to use this power to influence returns,
  - IFRS 11 states that joint control exists when decisions require the unanimous consent of the parties sharing control. This standard eliminates the so-called "proportional consolidation" method and defines "joint operations" according to the fraction of assets, liabilities, income and expenses controlled by virtue of the contract, whereas a "joint venture" is consolidated by the equity method,
  - IFRS 12 defines all the disclosures to be made with regard to interests in other entities;
- 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;
- amendments to IAS 39 – Financial Instruments: this amendment concerns the continuation of hedge accounting in the event of novation of derivatives.

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

Standards and amendments not early-adopted by the Group

The Group did not early adopt any standards, amendments or interpretations in 2014 that concern the Group and are applicable from 1 January 2015 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:

- IFRIC 21 – "Levies": this interpretation states that levies must be recognised in accordance with the activity that triggers payment, as defined by law irrespective of the basis used to calculate them;
- amendments to IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets) concern acceptable methods of depreciation and amortisation. The IASB has clarified that using an amortisation method based on income is not appropriate, as it will not reflect the consumption of an intangible asset's economic benefits. This presumption is refutable under certain circumstances;
- amendment to IFRS 11 "Joint Arrangements", dealing with acquisition of a stake in a joint venture;
- amendment to IAS 19 "Employee Benefits," which applies to employee or third-party contributions to defined-benefit plans. Some contributions may now be recognised as a deduction from the cost of services rendered for the period in which the service was rendered;
- annual improvements to IFRSs (December 2013) applicable as of 1 July 2014: these amendments mainly concern related party disclosures (IAS 24) and more specifically clarifications as to the concept of services by "key" management personnel, share-based payments (IFRS 2) and notably a clarification of the concept of

"vesting conditions", segment information (IFRS 8) and the disclosures to be made regarding aggregation criteria as well as the reconciliation of assets by segment with the entity's assets as a whole, the clarification of the notion of fair value for short-term receivables and payables and the option to offset financial assets and liabilities (IFRS 13 "Fair Value Measurement") and the recognition of contingent consideration in a business combination (IFRS 3).

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 2014, 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 32.

All material intra-group transactions have been eliminated in consolidation.

Note 1.2. TRANSLATION OF FOREIGN FINANCIAL STATEMENTS AND CURRENCY TRANSACTIONS

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 recognised 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, amortisation 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. Forecasting and producing medium-term plans are rendered difficult by the current economic environment. The consolidated financial statements for the period were prepared on the basis of financial parameters for the market available at the end of the period. 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 22.1), deferred taxes (Note 1.4.10), property, plant and equipment (Note 1.4.3), intangible assets (Notes 1.4.1 and 10), investments in associates and other investments, impairment of current assets (Notes 1.4.5 and 1.4.6), short and long-term provisions (Notes 1.4.11 and 1.4.12), certain financial instruments (Note 1.4.4 – Derivative instruments) and share-based payments (Note 1.4.11 – 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 15 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.

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. 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. The value in use of these units is determined by reference to net discounted future cash flows. 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 pro rata 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 recognised at the fair value of the consideration given or received. Transaction costs directly attributable to the acquisition or issue of the financial asset or liability are included in the initial measurement of all financial assets and liabilities. Acquisition costs include direct external transaction costs.

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 their nominal amount, which is equivalent to their fair value in view of their short-term maturity. Where necessary, these receivables are impaired, to aligned them to 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. Net debt

Net debt corresponds to total long-term and short-term borrowings less cash and cash equivalents and derivative instruments acquired as hedges of debt that mature in less than one year and are readily convertible into cash. It also includes potential short-term financial investments with no significant risk of a change in value but whose maturity on the subscription date is longer than three months.

1.4.9. 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.

1.4.10. 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.

1.4.11. 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. This 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.

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 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. The charge is recognised in the income statement, under “Statutory and discretionary profit-sharing.”

1.4.12. 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.

1.4.13. 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.

1.4.14. 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.

Revenue is assessed 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. Operating result from activity corresponds to sales 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 6 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 CHANGES IN SCOPE OF CONSOLIDATION

Note 2.1 TRANSACTIONS IN 2014

Coranco

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

The net fair value of the identifiable assets and liabilities when Groupe SEB acquired control of the company on 16 December 2013 was as follows:

(in € millions)	16 December 2013
Non-current assets [(a)]	19.6
Inventories	1.2
Trade and other receivables	2.8
Net debt	4.1
Trade and other payables	(2.4)
Other net assets	0.0
TOTAL NET ASSETS	**25.3**
PERCENT INTEREST	**100%**
NET ASSETS ACQUIRED	**25.3**
Non controlling interests	
CASH OUTFLOW FOR THE CORANCO ACQUISITION	**25.3**
Goodwill	0.0

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

Maharaja Whiteline

On 16 December 2011, Groupe SEB acquired a majority interest in Maharaja Whiteline, a leading producer of small electrical appliances in India. Created in 1976, Maharaja Whiteline has its roots in northern and western India. It is one of the major players in a still highly fragmented market, with a portfolio covering several 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 financial year ended 31 March totalled €21 million.

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 the founding family. The Group had chosen not to consolidate this company in 2012 or 2013, in particular due to insufficient reliability of the figures and its small significance in terms of the Group's aggregates. The interest in the company was therefore reported under "Other investments" on the consolidated balance sheet.

As the company's financial performance was below the assumptions made at the time of the acquisition, in 2012, the shares were written down by €25.3 million. 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.

Maharaja Whiteline is fully consolidated with effect from 1 January 2014, as the group considers that it took effective control of the company at the end of 2013. The net fair value of the identifiable assets and liabilities when Groupe SEB acquired control of the company at 1 January 2014 was as follows:

(in € millions)	1 January 2014
Non-current assets [(a)]	14.8
Inventories	3.5
Trade and other receivables	1.6
Net debt	(7.0)
Trade and other payables	(4.4)
Other net liabilities	(8.4)
TOTAL NET ASSETS	**0.1**
PERCENT INTEREST	**55%**
NET ASSETS ACQUIRED	**0.1**
Non controlling interests	0.0
VALUE OF MAHARAJA WHITELINE ON INITIAL RECOGNITION	**20.1**
Goodwill	20.0

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

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

On 13 November 2014 Maharaja Whiteline was renamed Groupe SEB India.

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. Since this company is not considered to be material in terms of the group's criteria for consolidation, the value of its shares is shown on the "Other investments" line.

Asia Fan

On 10 July 2014 and 17 November 2014, Groupe SEB acquired virtually all of the non-controlling interests previously held by the founding shareholders in its Vietnamese subsidiary, which was taken over on 31 May 2011. This transaction between shareholders, which increased the group's stake to nearly 100%, had a direct impact on its equity.

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

Note 2.2 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.

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.

No transaction has occurred to alter the scope of consolidation in 2012.

NOTE 3 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 3.1. GEOGRAPHICAL SEGMENT INFORMATION (BY LOCATION OF ASSETS)

(in € millions)	France	Other western European countries [(a)]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-group transactions	Total
2014								
Revenue								
Inter-segment revenue	696.2	818.0	481.5	419.7	1,021.0	597.7		4,034.2
External revenue	691.4	77.4	0.5	7.4	981.5	12.2	(1,551.4)	218.9
TOTAL REVENUE	**1,387.6**	**895.4**	**482.0**	**427.1**	**2,002.5**	**609.9**	**(1,551.4)**	**4,253.1**
Operating result from activity	74.7	50.6	2.3	25.7	160.8	61.4	(7.6)	368.0
Operating profit	38.5	48.1	1.2	12.0	160.4	61.0	(7.6)	313.7
Finance costs and other financial income and expense, net								(49.0)
Share of profit of associates								
Income tax expense								(71.2)
PROFIT FOR THE PERIOD								**193.5**
Balance sheet								
Segment assets	726.2	440.7	427.5	441.0	1,228.5	319.4	(285.2)	3,298.1
Financial assets [(b)]								603.2
Tax assets								69.9
TOTAL ASSETS								**3,971.2**
Segment liabilities	474.7	272.4	88.2	93.6	376.0	116.9	(237.3)	1,184.5
Borrowings								976.1
Tax liabilities								86.0
Equity								1,724.5
TOTAL EQUITY AND LIABILITIES								**3,971.2**
Other information								
Capital expenditure and purchases of intangible assets	144.8	4.8	2.9	11.7	32.8	4.0		201.1
Depreciation and amortisation expense	65.3	5.7	6.9	9.3	31.2	1.8		120.2
Impairment losses	0.2			2.6				2.8

(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) Including other financial investments.

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(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**
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**
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.

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.

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

(in € millions)	2014	2013	2012
France	699.7	665.8	688.5
Other western European countries [a]	849.5	820.6	758.5
North America	495.7	468.0	457.5
South America	420.9	426.4	451.0
Asia-Pacific	1,132.5	1,087.1	991.5
Central Europe, Russia and other countries	654.9	693.4	712.7
TOTAL	**4,253.1**	**4,161.3**	**4,059.7**

(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)	2014	2013	2012
Cookware	1,340.7	1,329.6	1,304.4
Small electrical appliances	2,912.4	2,831.7	2,755.3
TOTAL	**4,253.1**	**4,161.3**	**4,059.7**

NOTE 4 OPERATING EXPENSES

(in € millions)	2014	2013 [a]	2012 [a]
Purchased raw materials and goods	(2,045.8)	(1,918.8)	(1,907.3)
Labour costs	(195.3)	(192.1)	(170.8)
Freight costs	(125.8)	(133.5)	(126.5)
Other production costs	(272.1)	(298.6)	(275.5)
COST OF SALES (SUB-TOTAL)	**(2,639.0)**	**(2,543.0)**	**(2,480.1)**
Research and development costs	(81.6)	(75.6)	(69.8)
Advertising expense	(104.1)	(108.9)	(103.2)
Distribution and administrative expenses	(1,060.4)	(1,023.4)	(991.3)
OPERATING EXPENSES	**(3,885.1)**	**(3,750.9)**	**(3,644.3)**

(a) After reallocation of certain production costs.

NOTE 5 EMPLOYEE BENEFITS EXPENSES

(in € millions)	**2014**	2013	2012
Wages and salaries (excluding temporary staff costs)	(528.6)	(511.5)	(485.1)
Payroll taxes	(119.1)	(121.8)	(119.5)
Pension and other post-employment benefit plan costs	(48.8)	(46.6)	(45.1)
Service cost under defined benefit plans	(11.7)	(8.4)	(7.4)
Discretionary and non-dicretionary profit-sharing	(33.3)	(37.2)	(48.2)
TOTAL EMPLOYEE BENEFITS EXPENSE	**(741.4)**	**(725.5)**	**(705.2)**

Breakdown by geographical segment 2014	France	Other western European countries [a]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries [b]	Total
Employee benefits expense (excluding temporary staff costs) [b]	(379.5)	(78.3)	(46.6)	(53.8)	(151.2)	(32.0)	(741.4)
Average number of employees *(in units)*	5,838	1,357	677	2,409	13,636	1,111	25,028

(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) Of which Groupe SEB India.

Breakdown by geographical segment 2013	France	Other western European countries [a]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries [b]	Total
Employee benefits expense (excluding temporary employees)	(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.
(b) Excluding Groupe SEB India.

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 employees)	(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.

Employees by category *(%)*	**2014**	2013	2012
Direct labor	48.0	48.2	48.9
Other workers	40.5	40.4	40.7
Managers	11.5	11.4	10.4
TOTAL	**100.0**	**100.0**	**100.0**

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NOTE 6 OTHER OPERATING INCOME AND EXPENSE

(in € millions)	2014	2013	2012
Restructuring costs	(20.0)	(9.0)	(1.9)
Impairment losses		(0.5)	(1.0)
Gains and losses on asset disposals and other	(1.0)		3.3
OTHER OPERATING INCOME AND EXPENSE	**(21.0)**	**(9.5)**	**0.4**

Note 6.1. RESTRUCTURING COSTS

2014

Restructuring costs amounted to €20.0 million, primarily including:

- €7.4 million associated with the industrial and commercial restructuring of the Brazilian subsidiary;
- continued rescaling of the Retail business in South America (Brazil, Chile, Peru) at a cost of €3.8 million;
- costs connected with the wind down of Pesage business and a variety of adjustments in France, partly offset by the resumption of an old lawsuit, for a net charge of €3 million;
- the announced closing of the Copacabana plant in Colombia and the transfer of production to the Rio Negro plant, at a cost of €1.9 million;
- a reorganisation of the sales forces in Germany and Spain, in the amounts of €1.4 million and €0.9 million.

2013

Restructuring costs amounted to €9 million, including the following items:

- 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.

Note 6.2. IMPAIRMENT LOSSES

2014

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 10 – Intangible Assets.

In 2014 none of these tests resulted in the recognition of an impairment loss.

The main actuarial assumptions used in 2014 for impairment tests on the manufacturing CGUs in Europe were as follows:

- the weighted average cost of capital was estimated at 7.09% (versus 7.52% in 2013 and 7.75% in 2012);
- 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 2014 generally showed little sensitivity to changes in financial assumptions (WACC and long-term growth).

2013 and 2012

In 2013 and 2012, no material impairment losses were recorded.

Note 6.3. GAINS AND LOSSES ON ASSET DISPOSALS AND OTHER

2014

In 2014, €1.9 million received under the liability guarantee granted as part of the acquisition of Imusa in February 2011 partly offset over €3 million of depollution costs and the discontinuation of certain strategic projects in Brazil.

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.

NOTE 7 FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

(in € millions)	2014	2013	2012
FINANCE COSTS	**(31.2)**	**(31.0)**	**(29.3)**
Interest cost on long-term employee benefit obligations	(4.4)	(4.7)	(6.3)
Exchange gains and losses and financial instruments	(1.7)	(1.8)	6.9
Other	(11.7)	(17.4)	(34.0)
OTHER FINANCIAL INCOME AND EXPENSE	**(17.8)**	**(23.9)**	**(33.4)**

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.

Exchange gains and losses on manufacturing and sales transactions denominated in foreign currencies are included in "Operating result from activity". 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 was not consolidated. In 2013, an additional €7.5 million impairment loss was recorded against these shares, largely due to the depreciation of the Indian rupee. Since 1 January 2014, this company has been part of the Group's scope of consolidation.

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NOTE 8 INCOME TAXES

Note 8.1. INCOME TAX EXPENSE

(in € millions)	2014	2013	2012
Current taxes	85.5	94.7	84.9
Deferred taxes, net	(14.3)	(7.5)	9.3
INCOME TAX EXPENSE	**71.2**	**87.2**	**94.2**

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 32). 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 8.2. EFFECTIVE TAX RATE

The difference between the effective tax rate of 26.9% (28.2% in 2013 and 30.9% in 2012) and the statutory French tax rate of 38% in 2014 (including additional contribution) breaks down as follows:

(in %)	2014	2013	2012
STATUTORY FRENCH TAX RATE	**38.0**	**38.0**	**36.1**
Effect of different tax rates [(a)]	(17.6)	(15.5)	(9.4)
Unrecognised and unrelieved tax loss carryforwards	4.3	2.4	2.9
Prior period tax loss carryforwards recognised and utilised during the period	(2.2)	(1.7)	(0.6)
Other [(b)]	4.4	5.0	1.9
EFFECTIVE TAX RATE	**26.9**	**28.2**	**30.9**

(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, and the dividend tax (0.8%) as well as some tax adjustments that are not individually material.
In 2013 this caption included the impact of the non-deductibility of the impairment loss on Maharaja shares (0.8%), the new tax on dividends (0.6%) and a few tax adjustments that individually were not material. In 2012 this line mainly showed the impact of the non-deductibility of the impairment loss on Maharaja shares (2.8%).

"Profit before tax" amounted to €264.7 million in 2014, versus €308.9 million and €304.9 million in 2013 and 2012, respectively.

Note 8.3. DEFERRED TAXES ASSETS AND LIABILITIES

(in € millions)	2014	2013	2012
Intangible assets (brands)	(108.8)	(94.1)	(97.6)
Capitalised development costs	(4.4)	(5.0)	(5.0)
Property, plant and equipment	(36.4)	(33.9)	(39.0)
Net tax loss carryforwards	13.7	12.6	15.7
Provisions for pensions and other employee-related liabilities	52.8	46.4	40.1
Elimination of intra-group gains	23.9	20.5	21.7
Other temporary differences	28.8	34.1	29.9
NET DEFERRED TAX ASSET/(LIABILITY)	**(30.4)**	**(19.3)**	**(34.2)**
Of which:			
Deferred tax assets	34.9	52.0	47.9
Deferred tax liabilities	65.3	71.3	82.0

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 31/12/2012	**(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)**
Deferred taxes for the year recognised in the income statement	14.3
Effect of deferred taxes recognised in equity	(13.9)
Effect of changes in foreign exchange rates	(7.3)
Effect of changes in scope of consolidation	(4.2)
Other	
NET DEFERRED TAXES AT 31/12/2014	**(30.4)**

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 8.4. OTHER INFORMATION

At 31 December 2014, 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 31/12/2014 *(in € millions)*	Deductible temporary differences	Tax losses	Total
2015	1.4		1.4
2016	0.1		0.1
2017			
2018			0.1
2019 and beyond	0.1	29.7	29.7
Available indefinitely	0.1	44.6	44.7
TOTAL	**1.7**	**74.3**	**75.9**

Unrecognised tax related to tax loss carryforwards rose from €69.3 million in 2013 to €74.3 million in 2014. It mainly relates to Germany (€27.6 million in 2014, €26.7 million in 2013 and €28.1 million in 2012), the USA (€28.3 million in 2014, €22.3 million in 2013 and €21.9 million in 2012), Spain (€4.2 million in 2014, €5.7 million in 2013 and €5.7 million in 2012) and Brazil (€6.2 million in 2014, €3.2 million in 2013 and €2.0 million in 2012). Tax losses in the United Kingdom this year led to the recognition of a deferred tax asset for the total amount. The uncapitalised tax from previous periods was €4.5 million in 2013 and €8.5 million in 2012.

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NOTE 9 EARNINGS PER SHARE

(in € millions)	2014	2013	2012
Numerator			
Profit attributable to owners of the parent	170.0	199.8	194.2
After tax effect of dilutive potential shares			
Profit used to calculate diluted earnings per share	170.0	199.8	194.2
Denominator			
Weighted average number of ordinary shares used to calculate basic earnings per share	48,694,391	48,343,868	47,718,373
Effect of dilutive potential shares	495,319	575,507	640,528
Weighted average number of ordinary shares used to calculate diluted earnings per share	49,189,711	48,919,375	48,358,901
Basic earnings per share *(in €)*	**3.49**	**4.13**	**4.07**
Diluted earnings per share *(in €)*	**3.45**	**4.08**	**4.01**

Dilutive potential shares correspond mainly to outstanding stock option and performance share plans (see Note 19.2).

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 10 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.

2014 *(in € millions)*	Patents and licences	Trademarks	*Goodwill*	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	19.3	340.9	493.4	74.5	36.5	56.0	1,020.6
Acquisitions/additions	0.1			4.2	4.6	4.5	13.4
Disposals	(1.0)			(2.1)	(7.1)	(1.2)	(11.4)
Other movements [(a)]	19.6	9.5	20.0	7.0		(5.3)	50.8
Translation adjustment	1.2	27.1	49.8	0.7		5.0	83.8
AT 31 DECEMBER	**39.2**	**377.5**	**563.2**	**84.3**	**34.0**	**59.0**	**1,157.2**
Depreciation and impairment losses							
At 1 January	17.3	6.9	45.2	54.1	23.3	13.8	160.6
Translation adjustment	0.4	0.9	6.0	0.4		1.4	9.1
Amortization of the period	2.7			10.4	5.1	1.6	19.8
Impairment losses							
Depreciation and impairment written off on disposals	(0.9)			(1.7)	(5.5)	(0.5)	(8.6)
Other movements [(a)]				0.1			0.1
AT 31 DECEMBER	**19.5**	**7.8**	**51.2**	**63.3**	**22.9**	**16.3**	**181.0**
Carrying amount at 1 January	2.0	334.0	448.2	20.4	13.2	42.2	860.0
CARRYING AMOUNT AT 31 DECEMBER	**19.7**	**369.7**	**512.0**	**21.0**	**11.1**	**42.7**	**976.2**

(a) Including changes in scope of consolidation.

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/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)
Amortization 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)
Amortization 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.

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 2014 was 5.0%. 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 2014 were generally based on the CGUs' 2015 budgets, which reflect a continuation of the trends observed in 2014.

The All-Clad CGU – including the trademark for €119.2 million and goodwill for €46.1 million at 31 December 2014 – 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 7.34%, slightly lower than the rates of 7.49% applied in 2013 and 8.18% in 2012, 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 2014. All-Clad's economic performance in 2014 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 a 10% discount rate (i.e. 2.6 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 7.4-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 2015-2019, Group management currently considers the most probable scenario to be average annual growth of 3.1%. A revision of sales forecasts to flat over the entire period would result in no additional goodwill impairment loss.

The Imusa CGU – including the trademark for €18.0 million and goodwill for €28.9 million at 31 December 2014 – 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 12.22%;
- and a long-term growth rate of 3%, in line with forecasts for the high-end household equipment market.

The test did not lead to any impairment loss being recognised.

The sensitivity of test results to changes in the individual assumptions used in 2014 to determine the value in use of the Imusa CGU assets is as follows:

- use of a 13.08% discount rate (i.e. a 0.9 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 1.5-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 2015-2019, 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 2014, the Supor CGU (including the trademark for €107.2 million and goodwill for €379.5 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 2014, Supor shares were trading at CNY 17.02. The carrying amount at the same date was CNY 12.03 per share.

For the first time, the Maharaja CGU – including the trademark for €10.5 million and goodwill for €22.3 million at 31 December 2014 – 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 ten-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 16.07%;
- and a long term growth rate of 5% in keeping with those used in this geographic area.

The test did not lead to any impairment loss being recognised.

The sensitivity of test results to changes in the individual assumptions used in 2014 to determine the value in use of the Maharaja CGU assets is as follows:

- use of a 16.63% discount rate (i.e. a 0.56 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 0.8-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;

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 2014, no impairment losses were identified. The carrying amount of trademarks amounted to:

- Arno €30.1 million;
- Lagostina €30.4 million;
- Rowenta €23.2 million;
- Krups €7.8 million.

In addition, the Moulinex, Panex, Clock, Rochedo, Penedo, Imusa USA, Umco, MiroWearEver and AsiaVina trademarks were recognised in the consolidated financial statements for a total of €23.1 million.

The main assumptions used in 2014 were as follows:

- royalty rate: 2.0% to 5.5% (unchanged from 2013 and 2012);
- discount rate after tax: from 5.94% (Rowenta) to 17.06% (Arno) (6.69% to 15.12% in 2013);
- long-term growth rate: 1% to 3% (unchanged from 2013 and 2012).

The Group ran sensitivity analyses on the values in use of all of these assets under different scenarios for cash flows for the years 2015-2019. 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.

NOTE 11 PROPERTY, PLANT AND EQUIPMENT

2014 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	30.7	332.2	883.3	129.7	45.4	1,421.3
Acquisitions and additions	10.4	60.6	53.5	12.4	50.7	187.6
Disposals	(0.3)	(2.7)	(21.4)	(8.4)	(0.6)	(33.4)
Other movements [(a)]	2.0	12.8	27.6	4.5	(41.0)	5.9
Translation adjustment	(0.3)	13.1	19.7	1.3	0.7	34.5
AT 31 DECEMBER	**42.5**	**416.0**	**962.7**	**139.5**	**55.2**	**1,615.9**
Depreciation and impairment losses						
At 1 January	7.1	174.2	665.7	88.4		935.4
Translation adjustment		3.0	12.3	1.1		16.4
Amortization of the period	0.2	16.2	69.5	14.5		100.4
Impairment losses			2.6			2.6
Depreciation and impairment written off on disposals	(0.3)	(1.6)	(19.6)	(6.7)		(28.2)
Other movements [(a)]		0.2	1.8	0.2		2.2
AT 31 DECEMBER	**7.0**	**192.0**	**732.3**	**97.5**		**1,028.8**
Carrying amount at 1 January	23.6	158.0	217.6	41.3	45.4	485.9
CARRYING AMOUNT AT 31 DECEMBER	**35.5**	**224.0**	**230.4**	**42.0**	**55.2**	**587.1**

(a) Including changes in scope of consolidation.

At 31 December 2014, no material impairment losses had been recognised on property, plant and equipment.

2013 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed 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)
Amortization 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.

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)
Amortization 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.

Most of the Group's operations are in 29 major industrial sites. They are 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	Fans, washing machines, *blenders*
		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
	India	Baddi	Food processors, *blenders*, fans, heaters
	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.

As previously reported, 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. Capital expenditures in this regard totalled nearly €80.0 million at 31 December 2014.

All leases are with unrelated lessors and reflect normal market terms.

NOTE 12 LEASES

Finance leases can be analysed as follows:

Carrying amounts *(in € millions)*	2014	2013	2012
Land			
Buildings			0.6
Machinery and equipment	2.6	2.1	2.2
Other	1.2	0.9	0.3
CARRYING AMOUNT	**3.8**	**3.1**	**3.1**

These amounts are included in the tables in Note 11 – 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:

2014 *(in € millions)*	Finance leases	Operating leases
LEASE COMMITMENTS		
Due within one year	1.1	41.7
Due in one to five years	2.2	70.2
Due beyond 5 years	0.1	7.4
TOTAL MINIMUM FUTURE LEASE PAYMENTS	**3.4**	**119.3**
Future interest costs	0.1	
DISCOUNTED PRESENT VALUE OF LEASE COMMITMENTS	**3.3**	**119.3**

Lease payments recorded in expenses for the year are as follows:

(in € millions)	2014	2013	2012
Lease payments	61.7	67.1	61.2

NOTE 13 INVESTMENTS IN ASSOCIATES, OTHER INVESTMENTS AND OTHER NON-CURRENT FINANCIAL ASSETS

Note 13.1. INVESTMENTS

13.1.1. Investments in associates

The Group does not hold any investments in associates.

13.1.2. Other investments

At 31 December 2014, the "other investments" amounted to €16.0 million. It largely consists of non-controlling interests in several entities and investments in non consolidated entities due to their non-material size in the Group (notably Key Ingredient).

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 investment in Coranco, acquired in December 2013 (see Note 2.1).

Note 13.2. OTHER NON-CURRENT FINANCIAL ASSETS

These assets mainly comprise guarantee deposits, chiefly for property leases.

NOTE 14 PRODUCT DEVELOPMENT COSTS

(in € millions)	2014	2013	2012
RESEARCH AND DEVELOPMENT GROSS EXPENDITURE	**(93.5)**	**(87.3)**	**(82.4)**
Research tax credit	7.3	6.8	7.0
RESEARCH AND DEVELOPMENT NET EXPENDITURE	**(86.2)**	**(80.5)**	**(75.4)**
as a % of revenue	2.0%	1.9%	1.9%
CAPITALISED DEVELOPMENT COSTS	**4.6**	**4.9**	**5.6**
as a % of R&D expenditure	5.3%	6.1%	7.4%
RESEARCH AND DEVELOPMENT COSTS RECOGNISED DIRECTLY IN THE INCOME STATEMENT (Note 4)	**(81.6)**	**(75.6)**	**(69.8)**
AMORTISATION FOR THE PERIOD RECOGNISED IN COST OF SALES	**(5.1)**	**(5.2)**	**(5.8)**
TOTAL COST RECOGNISED IN THE INCOME STATEMENT	**(86.7)**	**(80.8)**	**(75.6)**
as a % of revenue	2.0%	1.9%	1.9%

In 2014, research and development expenditure totalled €86.2 million, compared with €80.5 million in 2013.

Capitalised development costs amounted to €4.6 million, versus €4.9 million in 2013 and €5.6 million in 2012.

In all, research and development costs recognised in the income statement came to €86.7 million, versus €80.8 million in 2013 and €75.6 million in 2012.

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NOTE 15 INVENTORIES

	2014			2013			2012		
(in € millions)	Cost	Depreciation	Carrying amount	Cost	Depreciation	Carrying amount	Cost	Depreciation	Carrying amount
Raw materials	209.3	(11.0)	198.3	190.8	(9.8)	181.0	189.4	(9.2)	180.2
Work in progress	6.5	(0.2)	6.3	6.2	(0.3)	5.9	7.5	(0.1)	7.4
Finished products and goods purchased for resale	635.2	(17.0)	618.2	566.0	(21.8)	544.2	509.0	(15.6)	493.4
TOTAL	**851.0**	**(28.2)**	**822.8**	**763.0**	**(31.9)**	**731.1**	**705.9**	**(24.9)**	**681.0**

NOTE 16 TRADE RECEIVABLES

(in € millions)	2014	2013	2012
Trade receivables (including discounted bills)	782.5	752.4	849.6
Provision for doubtful debt	(14.2)	(12.2)	(13.8)
CARRYING AMOUNT	**768.3**	**740.2**	**835.8**

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 26.4.

NOTE 17 OTHER NON-CURRENT ASSETS AND OTHER RECEIVABLES

(in € millions)	2014	2013	2012
OTHER NON-CURRENT ASSETS	**5.9**	**6.0**	**9.0**
Prepaid expenses	7.8	7.1	8.3
Prepaid and recoverable taxes and other receivables	130.0	109.6	75.5
OTHER RECEIVABLES	**137.8**	**116.7**	**83.8**

The fair value of other non-current assets and other receivables is equivalent to their carrying amount.

At 31 December 2013, other non-current assets and other receivables broke down as follows:

(in € millions)	Other receivables	Other non current assets	Total
Prepaid expenses	7.8	2.4	10.2
Prepaid and recoverable taxes and other	130	3.5	133.5
CARRYING AMOUNT	**137.8**	**5.9**	**143.7**

NOTE 18 CASH AND CASH EQUIVALENTS

(in € millions)	2014	2013	2012
Cash	341.4	426.3	253.6
Marketable securities			145.1
CARRYING AMOUNT	**341.4**	**426.3**	**398.7**

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 19 EQUITY

Note 19.1. SHARE CAPITAL

At 31 December 2014, 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.

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 2014 was 48,694,391 (48,343,868 in 2013 and 47,718,373 in 2012).

At 31 December 2014 the family Group held 42.59% of the share capital (of which FÉDÉRACTIVE: 22.50% and VENELLE INVESTISSEMENT: 20.09%). These shares represent 57.41% of the voting rights.

Note 19.2. SHARE-BASED PAYMENTS

19.2.1. Stock options

Information about stock option plans at 31 December 2014 is provided below:

STOCK OPTIONS

At 31/12/2014	Date			Number of options (a)				Exercise price
Type	of grant (b)	of exercise	of expiry	Granted	Exercised	Cancelled	Outstanding	*(in €)*
Purchase plan	16/06/2006	16/06/2010	16/06/2014	589,798	575,089	14,709	0	29.33
Purchase plan	20/04/2007	20/04/2011	20/04/2015	579,150	504,910	8,100	66,140	44.00
Purchase plan	13/05/2008	13/05/2012	13/05/2016	1,005,900	565,660	47,400	392,840	38.35
Purchase plan	12/06/2009	12/06/2013	12/06/2017	371,300	224,524	15,266	131,510	28.05
Purchase plan	18/06/2010	18/06/2014	18/06/2018	412,592	47,564	17,863	347,165	53.86
Purchase plan	15/06/2012	15/06/2016	15/06/2020	408,925		1,500	407,425	54.12
TOTAL				**3,367,665**	**1,917,747**	**104,838**	**1,345,080**	
of which, movements in 2014				0	479,867	7,577	(487,444)	

(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 2014 in respect of stock options was €1.5 million, versus €2.7 million in 2013 and €2.8 million in 2012. The assumptions used to value options under the Black & Scholes model are as follows:

	2012 plan	2010 Plan
INITIAL VALUE *(in € millions)*	**5.0**	**4.5**
AMOUNT RECOGNISED IN EMPLOYEE BENEFITS EXPENSE IN 2014 *(in € millions)*	**1.1**	**0.4**
ASSUMPTIONS		
Share price on the grant date *(in €)*	51.00	55.00
Volatility	28.0%	25.0%
Risk-free interest rate	2.80%	3.40%
Exercise price *(in €)*	54.12	53.86
Life of the options *(in years)* (a)	5	5
Dividend rate	2.3%	2.8%

(a) Corresponding to the average exercise period.

19.2.2. Performance shares

In 2012, 2013 and 2014, 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 and 2014 plans) 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 31/12/2014	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	53,889	10,049	0	51.00
Performance shares	23/07/2013	23/07/2016	23/07/2018	233,475	0	0	233,475	63,00
Performance shares	22/07/2014	22/07/2017	22/07/2019	169,175	0		169,175	64.00
				466,588	53,889	10,049	402,650	

(a) The grant date corresponds to the date of the Board meeting when the performance share grants where decided.
(b) Opening share price on the date of the Board Meeting.

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:

	2014 plan	2013 plan	2012 plan
Assumptions			
Share price on the grant date (in €)	64.00	63,00	51.00
Risk-free interest rate (5-year rate in 2014 and 2013 and 4-year rate in 2012)	0.47%	2.10%	2.20%
Average interest rate on a 4-year general purpose loan	5.97%	5.10%	6.50%
Dividend rate	2.34%	2.30%	2.70%
DISCOUNT FOR THE LOCK-UP *(as % of price on the vesting date)*	**12.00%**	**19.97%**	**20.17%**
INITIAL VALUE *(in € millions)*	**13.1**	**11,8**	**2,6**
AMOUNT RECOGNISED IN EMPLOYEE BENEFITS EXPENSE IN 2014 *(in € millions)*	**1.5**	**3.9**	**0.2**

Note 19.3. 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 €875 million available for distribution at 31 December 2014, €862 million at 31 December 2013 and €775 million at 31 December 2012), 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 19.4. 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 2014, the Group bought back 1,029,510 shares at a weighted average price of €61.54 and sold 1,150,615 shares at an average price of €49.80 on the market. The after-tax loss on the sales, in the amount of €1.1 million, was recognised directly in equity without affecting profit for the period.

At 31 December 2014, the Group had 1,291,242 shares in treasury acquired at an average price of €61.18.

Movements in treasury stock were as follows:

(in number of shares)	2014	2013	2012
Shares held in treasury at 1 January	1,412,347	2,050,102	2,331,797
Purchases			
Buyback plan	425,000	54,075	404,510
Liquidity contract	604,510	813,739	674,152
Sales			
Shares sold on the market	(616,859)	(802,996)	(663,116)
Shares allocated on exercise of stock options, and under the performance share and employee share ownership plans	(533,756)	(702,573)	(697,241)
Shares cancelled during the period			
SHARES HELD IN TREASURY AT 31 DECEMBER	**1,291,242**	**1,412,347**	**2,050,102**

NOTE 20 NON-CONTROLLING INTERESTS

Changes in non-controlling interests are as follows:

(in € millions)	2014	2013	2012
AT 1 JANUARY	**142.6**	**130.3**	**123.4**
Non-controlling interests in profit	23.6	22.0	16.5
Dividends paid	(7.8)	(7.5)	(5.9)
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	(0.8)	(0.2)	(1.6)
Translation adjustment	15.9	(2.7)	(2.1)
AT 31 DECEMBER	**173.5**	**142.6**	**130.3**

Since 31 December 2008, non-controlling interests have primarily concerned the non-controlling interests of the ZJ Supor group. The share of non-controlling interests has therefore essentially changed according to the ZJ Supor group's reserves (net income and translation adjustments in particular), and exceptionally as a result of purchases, sales or any other voluntary adjustments to SEB's stake in ZJ Supor.

The ZJ Supor group is made up of various subsidiaries, whose name, line of business, location and percentage of interest are shown in Note 32 to these notes.

At 31 December 2014, Groupe SEB's percentage of interest is €71.44%.

The 2013 dividends paid to minority shareholders in 2014 were €7.8 million. The 2014 net income of this sub-group taken by itself was €92.4 million on revenues of €1,141.7 million. The impact of the sub-group on the consolidated statement of comprehensive income consists solely of currency translation adjustments.

Summary balance sheet *(in € millions)*

ASSETS		**EQUITY AND LIABILITIES**	
Non-current assets	630	Shareholders' equity	(991)
Working capital requirement	169	Long-term provisions	(39)
Net cash and cash equivalents and financial investments	255	Other current assets and liabilities	(25)
TOTAL	**1,055**	**TOTAL**	**(1,055)**

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Summary cash flow statement *(in € millions)*

Net cash from operating activities	124
Net cash used by investing activities	(27)
Net cash used by financing activities	(28)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**69**

Since this group is located in China, the cash it generates is subject to the foreign exchange controls in effect in that country.

NOTE 21 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.

	2014		2013		2012	
(in € millions)	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
Pension and other post-employment benefit obligations (Note 22)	146.4	12.7	133.9	7.7	135	6.6
Product warranties (Note 21.1)	5.0	19.7	5.9	18.3	4.5	22.8
Claims and litigation and other contingencies (Note 21.2)	36.2	16.3	32.5	15.3	34.3	16.0
Restructuring provisions (Note 21.3)	5.3	6.9	8.6	4.3	5.9	5.0
TOTAL	**192.9**	**55.6**	**180.9**	**45.6**	**179.7**	**50.4**

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

(in € millions)	01/01/2014	Increases	Reversals	Utilisations	Other movements [(a)]	31/12/2014
Product warranties (Note 21.1)	24.2	16.7		16.5	0.3	24.7
Claims and litigation and other contingencies (Note 21.2)	47.8	10.3	2.9	9.3	6.6	52.5
Restructuring provisions (Note 21.3)	12.9	7.0	1.7	5.9	(0.1)	12.2
TOTAL	**84.9**	**34.0**	**4.6**	**31.7**	**6.8**	**89.4**

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

(in € millions)	01/01/2013	Increases	Reversals	Utilisations	Other movements [(a)]	31/12/2013
Product warranties (Note 21.1)	27.3	15.3	3.2	14.2	(1.0)	24.2
Claims and litigation and other contingencies (Note 21.2)	50.3	11.7	5.7	5.3	(3.2)	47.8
Restructuring provisions (Note 21.3)	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 21.1)	29.3	13.8	1.3	14.7	0.2	27.3
Claims and litigation and other contingencies (Note 21.2)	54.0	12.7	7.2	8.0	(1.2)	50.3
Restructuring provisions (Note 21.3)	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.

Note 21.1. 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 21.2. 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)	**2014**	2013	2012
Supplier claims and litigation	2.5	2.5	1.5
Local government claims, litigation and contingencies	13.1	14.6	15.0
Commercial claims, litigation and contingencies	1.7	1.7	4.4
Employee claims, litigation and contingencies	13.6	12.7	12.7
Sales returns			0.4
Other claims, litigation and contingencies	21.6	16.3	16.3
TOTAL	**52.5**	**47.8**	**50.3**

Except for the litigation described in Note 29.1.2., all items included in “Other claims, litigation and contingencies” are individually immaterial.

Note 21.3. RESTRUCTURING PROVISION

Restructuring provisions break down as follows:

(in € millions)	**2014**	2013	2012
Severance costs	11.7	12.4	9.9
Site closure costs	0.5	0.5	1.0
TOTAL	**12.2**	**12.9**	**10.9**

The short-term portion of restructuring provisions amounted to €6.8 million. The remaining €5.4 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 22 EMPLOYEE BENEFITS

Note 22.1. 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 2014	Germany 2014
Economic assumptions		
Rate of salary increases	2.50% and 3.50%	2.00%
Discount rate (based on Iboxx AA)	2.00% and 1.50%	2.00%
Average remaining service life of participating employees	Variable, depending on the entity	11 to 15 years
Demographic assumptions		
Retirement age	60 to 65 [a]	65 years old
Staff turnover	0% to 8%	
Mortality tables	INSEE TD/TV 2010-2012	HEUBECK RT 2005 G

(a) Depending on the age of employees and their category (management or other).

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).

Note 22.2. ANALYSIS OF PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

The total obligation breaks down as follows:

	2014			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	123.5	74.9	36.7	235.1
Present value of plan assets	(50.6)	(3.8)	(21.6)	(76.0)
DEFICIT	**72.9**	**71.1**	**15.1**	**159.1**
Recognised liability	72.9	71.1	15.1	159.1
Recognised asset				
NET	**72.9**	**71.1**	**15.1**	**159.1**

	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**

Obligations for the payment of jubilees were €7.5 million at 31 December 2014, €7 million at 31 December 2013 and €6.5 million at 31 December 2012.

Note 22.3. RECOGNISED COST

The cost recognised in the income statement for pension and other post-employment benefit plans breaks down as follows:

	2014			
(in € millions)	France	Germany	Other countries	Total
Service cost	8.7	0.5	2.5	11.7
Interest cost	3.1	2.0	1.0	6.1
Expected return on plan assets	(1.3)	(0.1)	(0.6)	(2.0)
Other	0.4			0.4
COST FOR THE PERIOD	**10.9**	**2.4**	**2.9**	**16.2**

	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**

Note 22.4. CHANGE IN GAINS AND LOSSES RECORDED IN OTHER COMPREHENSIVE INCOME

	2014			
(in € millions)	France	Germany	Other countries	Total
At 1 January	(39.2)	(16.2)	(3.9)	(59.3)
Actuarial gains and losses	(6.3)	(8.8)	(2.2)	(17.3)
Actual return on plan assets greater than/(less than) expected return	2.2		1.2	3.4
Other			(1.1)	(1.1)
AT 31 DECEMBER	**(43.3)**	**(25.0)**	**(6.0)**	**(74.3)**

	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)**

Actuarial gains and losses for the period were mainly due to changes in the discount rate.

	2012			
(in € millions)	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)**

Note 22.5. MOVEMENTS IN PROVISIONS

Movements in provisions for pension and other post-employment benefit obligations break down as follows:

(in € millions)	2014	2013	2012
Net at 1 January	141.6	141.6	120.1
Cost for the period	16.2	13.0	13.2
Contributions paid	(12.4)	(12.0)	(21.1)
Actuarial gains and losses and other changes [(a)]	13.7	(1.0)	29.4
NET AT 31 DECEMBER	**159.1**	**141.6**	**141.6**

(a) "Other changes" include the effect of changes in the scope of consolidation.

Note 22.6. MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS 2014

(in € millions)	France	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2014	**112.7**	**100.6**	**213.3**
Service cost	9.3	2.5	11.8
Interest cost	3.1	2.9	6.0
Benefits paid	(7.7)	(6.0)	(13.7)
Plan amendments			
Actuarial gains and losses	6.6	10.9	17.5
Curtailments/settlements	(0.5)		(0.5)
Other		0.7	0.7
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2014	**123.5**	**111.6**	**235.1**

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**

Note 22.7. ANALYSIS OF PLAN ASSETS

CHANGE IN PLAN ASSETS IN 2014

(in € millions)	France	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2014	**49.1**	**22.6**	**71.7**
Expected return on plan assets	1.3	0.7	2.0
Contributions paid		1.3	1.3
Benefits paid	(1.9)	(0.6)	(2.5)
Actuarial gains and losses and other	2.1	1.4	3.5
PLAN ASSETS AT 31 DECEMBER 2014	**50.6**	**25.4**	**76.0**

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**

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 7.05% in 2014.

The actual return on plan assets for 2014 should be in line with the expected rate and actuarial gains and losses generated in 2015 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 €17.5 million, relating to the obligations of Groupe SEB Nederland.

Note 22.8. OTHER INFORMATION

22.8.1. Cash outflows expected in future periods

Expected cash outflows *(in € millions)*	France	Germany	Total
In less than 1 year	3.1	4.0	7.8
1 to 5 years	20.3	16.1	40.3
TOTAL	**23.4**	**20.1**	**48.1**

22.8.2. Expected contributions to plans in the following year

No material contribution is currently planned.

22.8.3. Sensitivity analysis

Use of a discount rate of 1.75% would have had the effect of increasing the projected benefit obligation by approximately €5.7 million. Use of a 2.25% rate would have reduced the obligation by approximately €5.4 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 23 TRADE PAYABLES AND OTHER LIABILITIES

(in € millions)	2014	2013	2012
TRADE PAYABLES	**637.3**	**524.8**	**508**
Accrued taxes and employee benefits expenses	274.9	262.7	250.9
Due to suppliers of non-current assets	14.1	11.5	10.2
Other payables	9.7	10.4	9.5
OTHER LIABILITIES	**298.7**	**284.6**	**270.6**

At 31 December 2014, trade payables and other liabilities broke down as follows by maturity:

	Current	Non-current	Total
TRADE PAYABLES	**637.3**	**0.0**	**637.3**
Accrued taxes and employee benefits expenses	238.7	36.2	274.9
Due to suppliers of non-current assets	14.1	0.0	14.1
Other payables	7.5	2.2	9.7
OTHER LIABILITIES	**260.3**	**38.4**	**298.7**

Non-current accrued taxes and employee benefits expense correspond mainly to employee time savings accounts in France.

NOTE 24 BORROWINGS

Note 24.1. TOTAL BORROWINGS

(in € millions)	2014	2013	2012 (a)
Bonds	299.9	299.5	298.5
Bank borrowings	23.4	25.8	48.3
Finance lease liabilities	2.2	2.1	2.0
Other debts (including private placements)	220.8	268.3	269.4
Non-discretionary profit sharing liability	30.6	31.3	35.4
LONG-TERM BORROWINGS	**576.9**	**627.0**	**653.6**
Bank borrowings	49.6	44.6	39.1
Commercial paper	155.0	76.0	90.0
Current portion of long-term borrowings	184.5	94.0	169.5
SHORT-TERM BORROWINGS	**389.1**	**214.6**	**298.6**
TOTAL BORROWINGS	**966.0**	**841.6**	**952.2**

(a) *Reclassification of bond and Schuldschein loan.*

At 31 December 2014, 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 €300.0 million bond issue;
- €155.0 million of French commercial paper drawn from a €600 million programme given an A2 short-term rating by Standard & Poor's.

At 31 December 2014, the weighted average interest rate on long-term bank borrowings denominated in euros was 4.08%, compared with 4.04% at 31 December 2013.

CHARACTERISTICS OF BORROWINGS (NOMINAL AMOUNTS)

At 31 December 2014 *(in € millions)*	Issuing currency	Due	Outstanding balance	Due: Within 1 year	1 to 5 years	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	300.0		300.0		Fixed	
Commercial paper	EUR	2015	155.0	155.0			Floating euribor	Floating (a)
Other bank borrowings (including overdrafts)			203.6	179.4	23.9	0.3	Floating	
Finance lease liabilities			3.2	1.1	2.1			
Non-discretionary profit sharing liability	EUR		36.7	6.1	30.6			
TOTAL			**966.0**	**389.1**	**576.6**	**0.3**		

(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 25.2).*

All commercial paper is due in less than three months.

LOAN MATURITIES (UNDISCOUNTED NOMINAL AMOUNTS, INCLUDING ACCRUED INTEREST)

At 31 December 2014 *(in € millions)*	Issuing currency	Due	Rescheduled repayments	Due: Within 1 year	Due: 1 to 5 years	In more than 5 years
Schuldschein loan	Eur	2015	31.9	31.9		
Schuldschein loan	Eur	2015	17.7	17.7		
Schuldschein loan	Eur	2016	14.1	0.3	13.8	
Schuldschein loan	Eur	2016	27.3	0.5	26.8	
Bonds	Eur	2016	327.0	13.5	313.5	
Schuldschein loan	Eur	2017	43.6	1.2	42.4	
Schuldschein loan	Eur	2017	62.2	1.4	60.8	
Schuldschein loan	Eur	2017	21.4	0.5	20.9	
Schuldschein loan	Eur	2019	68.1	2.2	65.9	
Schuldschein loan	Eur	2019	5.8	0.2	5.6	
TOTAL			**619.1**	**69.4**	**549.7**	

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 2014 [(a)]
2015	610
2016	610
2017	560
2018	560
2019	

(a) Unused confirmed lines of credit at 31 December 2014, of which:
a €50.0 million bilateral credit facility expiring in August 2017;
a syndicated credit facility for €560.0 million, expiring in July 2019.

None of these credit lines include any acceleration clauses.

Note 24.2. NET DEBT

(in € millions)	**2014**	2013	2012
Long-term borrowings	576.9	627.0	653.6
Short-term borrowings	389.1	214.6	298.6
TOTAL BORROWINGS	**966.0**	**841.6**	**952.2**
Cash and cash equivalents, net	(341.4)	(426.3)	(398.7)
Other current financial investments	(172.5)		
Derivative instruments, net	1.0	0.5	2.4
NET DEBT	**453.1**	**415.8**	**555.9**

Net debt corresponds to total long and short-term borrowings less cash and cash equivalents, other current financial assets and derivative instruments used for Group financing purposes that are readily convertible into cash. It also includes short-term financial investments with no significant risk of a change in value but whose maturity on the subscription date is longer than three months.

At 31 December 2014, none of these borrowings were subject to early repayment clauses based on covenants.

NOTE 25 FAIR VALUE OF FINANCIAL INSTRUMENTS

Note 25.1. FINANCIAL INSTRUMENTS

	2014		Financial instruments by category				
(in € millions)	Carrying amount	Fair value	At fair value through profit (excl. derivatives)	Assets available for sale	Loans and receivables	Held to maturity	Derivative instruments
ASSETS							
Investments in non-consolidated companies	10.3	10.3		10.3			
Other non-current financial assets	13.9	13.9			13.9		
Other non-current assets	5.9	5.9			5.9		
Trade receivables	768.3	768.3			768.3		
Other current receivables, excl. prepaid expenses	16.1	16.1			16.1		
Derivative instruments	59.4	59.4					59.4
Other financial assets	172.5	172.5	172.5				
Cash and cash equivalents	341.4	341.4	341.4				
TOTAL FINANCIAL ASSETS	**1387.9**	**1387.9**	**514.0**	**10.3**	**804.2**	**0.0**	**59.4**
LIABILITIES							
Long-term borrowings	576.9	594.4				594.4	
Other non-current liabilities	2.2	2.2				2.2	
Trade payables	637.3	637.3				637.3	
Other current liabilities	21.7	21.7				21.7	
Derivative instruments	10.1	10.1					10.1
Short-term borrowings	389.1	390.7				390.7	
TOTAL FINANCIAL LIABILITIES	**1637.3**	**1656.3**	**0.0**	**0.0**	**0.0**	**1646.2**	**10.1**

	2013		Financial instruments by category				
(in € millions)	Carrying amount	Fair value	At fair value through profit (excl. derivatives)	Assets 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**

(in € millions)	2012 Carrying amount	Fair value	Financial instruments by category At fair value through profit (excl. derivatives)	Assets 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.*

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.

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Note 25.2. DERIVATIVE INSTRUMENTS

The fair value of derivative instruments is as follows:

	2014				2013			
	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 *	41.9	2.1	34.2	(0.4)	42.0	1.2	16.2	(0.1)
Forward purchases of foreign currencies *	58.9	3.2	91.9	(0.5)	50.4	0.4	35.7	(1.0)
TOTAL		**5.3**		**(0.9)**		**1.6**		**(1.1)**
SUPERHEDGES AND TRADING TRANSACTIONS								
Currency swaps								
GBP			16.6	(0.1)			21.2	(0.1)
AUD			9.3	(0.1)			7.7	
CAD			18.7	(0.2)	8.3		8.2	
DKK	7.6				4.1			
HUF	14.5				16.5			
MXN			7.9	(0.1)	11.5			
RUB			0.0		13.2	0.1		
USD			142.3	(0.7)			264.0	(0.2)
JPY			51.3	(0.6)	23.4	0.1		
THB			13.5	(0.2)	11.3	0.2		
SGD			2.0					
ZAR			2.7					
Other hedges of debt		1.3		(3.9)		0.8		(1.9)
TOTAL		**1.3**		**(5.8)**		**1.2**		**(2.2)**
CASH FLOW HEDGES								
Forward purchases and sales of foreign currencies	564.7	49.2	103.4	(1.2)			262.3	(5.5)
Floating/fixed rate swaps			78.0	(1.9)			78.0	(0.5)
Aluminium derivatives	15.1	0.4					31.5	(3.7)
Nickel derivatives			2.1				2.0	(0.3)
TOTAL		**49.6**		**(3.0)**				**(10.0)**
HEDGES OF THE NET INVESTMENT IN FOREIGN OPERATIONS								
Currency swaps	33.9	3.2	51.0	(0.4)			29.9	(0.2)
TOTAL	**33.9**	**3.2**	**51.0**	**(0.4)**				**(0.2)**
TOTAL DERIVATIVE INSTRUMENTS		**59.4**		**(10.1)**		**2.8**		**(13.5)**
NET IMPACT ON EQUITY (INCLUDING FAIR VALUE ADJUSTMENTS RECOGNISED IN PROFIT)				**49.3**				**(10.7)**

* *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 €24.2 million for forward purchases and €22.3 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 2014, these instruments (shown at fair value) expired in the following periods:

At 31 December 2014	In less than 1 year	In 1 to 5 years	In more than 5 years	Total
Forward purchases and sales of foreign currencies	39.3	8.5		47.8
Floating/fixed rate swaps		(1.9)		(1.9)
Aluminium derivatives	0.4			0.4
Nickel derivatives				
TOTAL	**39.7**	**6.6**		**46.3**

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 and nickel prices (commodity hedges) at 31 December 2014.

Note 25.3. 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.

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	31 December 2014			
(in € millions)	Total	Level 1	Level 2	Level 3
ASSETS				
Derivative instruments	59.4		59.4	
Other financial assets	172.5	172.5		
Cash and cash equivalents	341.4	341.4		
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**573.3**	**513.9**	**59.4**	
LIABILITIES				
Derivative instruments	10.1		10.1	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**10.1**		**10.1**	

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.

NOTE 26 FINANCIAL RISK MANAGEMENT

Note 26.1. 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 26.2. FINANCIAL MARKET RISKS

26.2.1. Currency risks

The majority of Group sales are billed in currencies other than the euro, mainly the US dollar, Chinese yuan, Russian rouble, 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. With respect to the US dollar and the Chinese yuan, currencies in which the Group has a net buying position, the Group hedges a portion of SEB Asia billings with Group subsidiaries.

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 2014 *(in € millions)*	USD	CNY	RUB	PLN	GBP	Other
Total assets			7	9	8	53
Total liabilities	(56)	(94)				
Future transactions						
NET POSITION BEFORE HEDGING	**(56)**	**(94)**	**7**	**9**	**8**	**53**
Forward purchases of foreign currencies [(a)]	50	96				
Forward sales of foreign currencies [(a)]		(9)	(8)	(7)	(11)	(37)
NET POSITION AFTER HEDGING	**(6)**	**(7)**	**(1)**	**2**	**(2)**	**16**

(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 25.2.

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**	**0**	**1**	**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 25.2.

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 forward purchases and sales of foreign currencies shown in the above table do not include positions taken on 31 December. See Note 25.2.

At 31 December 2014, the euro was trading at USD 1.214, RUB 72.337, MXN 17.867, CNY 7.5358 and JPY 145.23.

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 2014, the sensitivity analysis of the net position after hedging was as follows:

(in € millions)	USD	CNY	RUB	PLN	GBP	Other
Hypothetical currency appreciation	10%	10%	10%	10%	10%	10%
IMPACT ON PROFIT	**(0.6)**	**(0.7)**	**(0.1)**	**0.2**	**(0.2)**	**1.6**

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 from the moment there are competitive derivative instruments available on the market.

The Group does not however apply hedge accounting to these transactions.

At 31 December 2014 *(in € millions)*	USD	Other
Total assets	398	140
Total liabilities	(223)	(12)
NET POSITION BEFORE HEDGING	**175**	**129**
Hedging positions	(177)	(144)
NET POSITION AFTER HEDGING	**(2)**	**(15)**

At 31 December 2013 *(in € millions)*	USD	Other
Total assets	336.0	111.0
Total liabilities	(94.0)	(15.0)
NET POSITION BEFORE HEDGING	**242.0**	**96.0**
Hedging positions	(264.0)	(125.0)
NET POSITION AFTER HEDGING	**(22.0)**	**(29.0)**

At 31 December 2012 *(in € millions)*	USD	Other
Total assets	329.0	101.0
Total liabilities	18.0	15.0
NET POSITION BEFORE HEDGING	**311.0**	**86.0**
Hedging positions	(318.0)	(76.0)
NET POSITION AFTER HEDGING	**(7.0)**	**10.0**

The appreciation or depreciation of these currencies, assuming all other variables remained the same, would have an impact on profit.

At 31 December 2014, the sensitivity analysis of the net position after hedging was as follows:

(in € millions)	USD	Other
Hypothetical currency appreciation	10%	10%
IMPACT ON PROFIT	**(0.2)**	**(1.5)**

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 in 2012 to hedge the 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 2014 was USD 42.4 million. It is hedged by a currency swap whose fair value at 31 December 2014 was €3.2 million, recorded in equity. During the second half of 2014 the Group also decided to consider a new long term loan to its Brazilian subsidiary as a net investments. At 31 December 2014 this loan amounted to €16 million, hedged against fluctuation in the Brazilian real by a currency swap whose fair value recognised in shareholder's equity was a negative €0.2 million.

26.2.2. Interest rate risk

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 2014, based on interest rate re-set dates:

At 31 December 2014 *(in € millions)*	Overnight to 1 year		1 to 5 years		More than 5 years	
	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate
Total assets	513.9					
Total liabilities	(351.9)	(37.2)	(134.9)	(441.7)	(0.3)	
NET POSITION BEFORE HEDGING	**162.0**	**(37.2)**	**(134.9)**	**(441.7)**	**(0.3)**	

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 2014

(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 2014 levels throughout the year and with the same currency breakdown, an immediate 1% rise in interest rates would add an estimated €4.1 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 2014 is as follows:

(in € millions)	**31/12/2014**
FAIR VALUE AT 31 DECEMBER	**(0.5)**
Change in fair value	(1.4)
Amount recognised in income statement	
FAIR VALUE AT 31 DECEMBER	**(1.9)**

26.2.3. 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 about 70% of its estimated purchases for the next six months.

At 31 December 2014, 10,200 tonnes of aluminium purchases and 168 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 2014, the derivatives on commodities showed an unrealised gain of €0.4 million. In 2013, the unrealised loss generated was €4.0 million and in 2012 €1.9 million.

Derivatives that expired in 2014 led to a loss of €1.8 million, compared with losses of €6.1 million in 2013 and of €6.2 million in 2012.

SENSITIVITY ANALYSIS

A 10% increase in metal prices at 31 December 2014 would have had a €1.8 million positive impact on equity, while a 10% decrease would have had a €1.8 million negative impact, assuming all other variables remained constant.

A 10% increase or decrease in metal prices versus their average prices in 2014 would have had a €10.2 million positive or negative impact on operating result from activity.

26.2.4. 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 treasury stock. It thus established:

- 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 2014 (€61.57), the fair value of shares held in treasury at that date stood at €79.5 million. A 10% increase or decrease in the share price would therefore have led to a €7.9 million change in the fair value of treasury stock.

ZJ Supor, which is now 71.44%-owned by Groupe SEB, is listed on the Shenzhen stock exchange. At 31 December 2014, ZJ Supor's share price was CNY 17.02, valuing Groupe SEB's investment at €1,022.7 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 26.3. 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, cash equivalents and other financial investments at a certain level at all times (€513.9 million at 31 December 2014);

and additional liquid resources including:

- a €600.0 million commercial paper programme. As of 31 December 2014, €155 million had been drawn.
- other debt facilities, including:
  - a €560.0 million syndicated credit facility expiring in 2019,
  - 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 18 and Note 24, respectively.

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Note 26.4. CREDIT RISK

At 31 December 2014 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	637.1	125.0	3.5	2.7	768.3

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 for the year ended 31 December 2014, no single customer accounted for more than 4.6% 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 2014, 92% of net trade receivables were covered by insurance that would apply in the event of non-recovery.

NOTE 27 ENVIRONMENTAL EXPENDITURE

Environmental expenditure amounted to €7.7 million in 2014, compared with €7.4 million in 2013 and €7.7 million in 2012, 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.

	2014			2013			2012		
(in € millions)	Expenses	Capital expenditure	Total	Expenses	Capital expenditure	Total	Expenses	Capital expenditure	Total
Ambient air quality	0.6	0.4	1.0	0.6	0.1	0.7	0.6	1.2	1.8
Waste water management and water saving systems	1.5	0.3	1.8	1.7	0.5	2.2	1.7	0.5	2.2
Waste management	1.7	0.3	2.0	2.5	0.1	2.6	1.6		1.6
Soil protection and decontamination	1.4	0.6	2.0	0.3	0.5	0.8	0.3	0.4	0.7
Other environmental protection measures	0.8	0.1	0.9	1	0.1	1.1	1	0.4	1.4
TOTAL	**6.0**	**1.7**	**7.7**	**6.1**	**1.3**	**7.4**	**5.2**	**2.5**	**7.7**

At 31 December 2014 the total provisions for environmental risk were €1.1 million.

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. This provision at 31 December 2013 amounted to €1 million and thereafter was reduced to €0.5 million at 31 December 2014.

NOTE 28 OFF-BALANCE SHEET COMMITMENTS

Note 28.1. SPECIFIC COMMITMENTS

Specific commitments are discussed in the following notes:

- Note 22 – Employee benefits;
- Note 24 – Borrowings;
- Note 25 – Fair value of financial instruments.

Note 28.2. COMMITMENTS ARISING IN THE ORDINARY COURSE OF BUSINESS

COMMITMENTS RELATED TO OPERATING ACTIVITIES

(in € millions)	2014	2013	2012
Firm orders for property, plant and equipment	30.3	19.3	22.8
Guarantees and bonds given	20.5	10.6	20.7
Commitments under non-cancellable operating leases	119.3	125.3	149.1
Miscellaneous financial commitments	6.5	19.9	14.3
TOTAL COMMITMENTS GIVEN	**176.6**	**175.1**	**206.8**
Guarantees received for trade receivables under credit insurance policies	622.8	602.0	686.6
Miscellaneous financial commitments		6.0	0.1
TOTAL COMMITMENTS RECEIVED	**622.8**	**608.0**	**686.7**

In 2014, firm orders for the acquisition of industrial assets mainly included commitments made in relation to building the Group's headquarters and various improvements made to the Parc Mail plant in Écully, in the amount of €16.4 million.

In 2013, miscellaneous financial commitments given included €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, until the conditions precedent were waived. Miscellaneous financial commitments also included €7 million for the acquisition of the Parc Mail site in Écully.

NOTE 29 SIGNIFICANT EVENTS, LITIGATION AND CONTINGENT LIABILITIES

Note 29.1. SIGNIFICANT EVENTS AND LITIGATION

29.1.1. Significant events

No significant events occurred in 2014 that materially affected the Group's financial position.

29.1.2. 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 €5.6 million is fully provisioned (see Note 21.2) although, at the time of writing, the Group is disputing the entire amount and the ongoing lawsuit is expected to be lengthy.

In the past 12 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 29.2. 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 2014, the total amount of unused training hours accumulated by Groupe SEB employees stood at 574,468 hours versus 583,838 at 31 December 2013 and 584,700 hours at 31 December 2012.

No other contingent liabilities have been identified to date.

NOTE 30 RELATED PARTY TRANSACTIONS

Note 30.1. 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)	**2014**	2013	2012
Revenue		1.1	0.4
Other income			
Purchases and expenses	0.8		
Other non-current financial assets	4.3	1.1	0.4
Trade receivables		1.1	0.1
Trade payables	0.8		

The Key Ingredient company (non-consolidated due to its non-material size within the Group) invoices research and development services.

Coranco, which was acquired in late December 2013 and not consolidated at 31 December 2013, 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.

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Note 30.2. 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 2014, 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 2014, 2013 and 2012:

(in € millions)	2014	2013	2012
SHORT-TERM BENEFITS			
Fixed remunerations	2.9	3.0	2.7
Variable remunerations	2.2	1.9	2.2
Directors' fees	0.4	0.5	0.5
OTHER BENEFITS			
Post-employment benefits	4.5	2.6	1.9
Share-based payments (stock options)	1.9	2.2	1.4
TOTAL	**11.9**	**10.2**	**8.7**

Pension commitment

The two corporate officers are members of the collective supplementary pension scheme which includes the Groupe SEB's french senior managers(members of the Executive and Management Committees).

The scheme complements the statutory schemes and is composed as follows:

- a defined benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration of the past three years;
- a defined benefit supplementary pension plan, under which beneficiaries are also subject to seniority and presence conditions. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated on the average of the target remuneration of the past three years and capped at 20 years seniority, i.e. a maximum 16% of the reference remuneration. A defined benefit collective scheme is available for top management, with a contribution equal to 8% of the salary. Pensions earned under this plan are deducted from the supplementary pension originating from the defined benefit supplementary pension plan.

To be eligible 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 scheme is capped at 41% of the reference remuneration (including the income from compulsory plans), this reference remuneration being itself capped at 36 times the annual social security ceiling in force at the time of the retirement.

As a result, the supplementary pension scheme for French top management (including the Chairman and CEO and the Chief Operating Officer) complies with AFEP-MEDEF Code 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 used: average of the last three yearly target remunerations,
- maximum of 41% including benefits from statutory schemes.

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.

In accordance with the applicable legislation concerning defined benefit plans, the entitlement to benefits is conditional upon the termination of the beneficiary's career within the company; in addition, the contributions cannot be customised. The supplementary and top-up plan expenses relating to Thierry de La Tour d'Artaise and Bertrand Neuschwander, recognised in the consolidated financial statements for 2014, amounts to €1,008,166.

Severance allowance and non-compete payments

FOR MR THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise will not be entitled to any compensation in case of termination of his corporate mandate.

His employment contract, signed when he joined Groupe SEB in 1994 and last amended when he was appointed CEO of the Company, 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. In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, 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 two years' remuneration (calculated on the average remuneration earned during the last two closed financial years), 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 the average percentage achieved is below 50%, no termination benefits shall be paid;
- if average actual performance represents 50% to 100% of the targets, the termination benefit will be comprised between 75% and 100%, according to linear calculation ;

- 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 targets entitle the payment of termination benefits.

Thierry de La Tour d'Artaise's employment contract does not contain a non-competition clause.

Entitlement to stock-options in the event of termination:

In the event 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 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.

FOR MR BERTRAND NEUSCHWANDER

In the event of dismissal, he will be entitled to severance payment equal to two years' remuneration, minus the amounts paid under the non-competition clause and any termination benefits connected to the termination of the employment contract.

The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Bertrand Neuschwander received in his capacity as Chief Operating Officer.

The allowance, in accordance with Article L. 225 225-42-1 of the French Commercial Code, will be subject to performance conditions, measured in the following manner:

- if he is dismissed within four years of his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets over the last four years of service, as follows:
  - as corporate officer, for the period following his appointment and,
  - as a salaried employee, for the preceding period;
- if he is dismissed after four years from his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets, in said capacity, over the last four years of service.
- for both scenarios,
  - if the average percentage achieved is below 50%: no termination benefits shall be paid,
  - if the average percentage falls between 50% and 100%: the termination benefit will be between 75% to 100%, calculated with the linear method,
  - if average actual performance exceeds the targets, the termination benefit will be paid in full.

Furthermore, the severance allowance shall only be paid in the event of involuntary termination and remains capped at two years of remuneration (fixed and variable received), including the non-compete clause and any contractual indemnity for dismissal.

Non-compete clause

Pursuant to the non-compete agreement, in case of termination of his mandate as Chief Operating Officer, through removal or resignation, he shall be prohibited for a one-year period , renewable once, from working in any manner with a competitor of Groupe SEB.

In consideration of this non-competition clause and for its entire duration, Bertrand Neuschwander will receive a monthly non-competition payment amounting to 50% of his monthly average fixed and variable remuneration paid over his last 12 months of service within the Group.

The Board of Directors may release Bertrand Neuschwander from this non-competition clause.

This non-competition agreement and the terms of severance detailed above were approved by the Board of Directors on 22 April 2014. They were also disclosed as part of the permanent information related to compensation and benefits. Furthermore, it will be submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.

Continuation of the employment contract

Thierry de La Tour d'Artaise began his career with Groupe SEB in 1994 and was named Vice-Chairman of the Group in 1999 He was named Chairman and Chief Executive Officer in 2000. In accordance with changing governance practice, his employment contract was suspended in 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 Groupe SEB.

As for Bertrand Neuschwander, on 22 April 2014, the Board of Directors decided that the suspension of his employment contract was in line with the AFEP-MEDEF Code.

NOTE 31 SUBSEQUENT EVENTS

Supor

On 31 December 2014 Groupe SEB agreed to buy 10 million shares in Supor (1.58% of its equity) from the Su founding family during the first half of 2015. The transaction will be carried out at 17.5 yuans per share and subject to approval by the Chinese authorities.

To the best of Groupe SEB's knowledge, no other events have occurred between 31 December 2014 and the date on which this Registration Document was published that could have a material impact on the Consolidated Financial Statements.

NOTE 32 LIST OF COMPANIES CONSOLIDATED AT 31 DECEMBER 2014 (% OF GROUP OWNERSHIP)

Note 32.1. 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. [a]	Holding company	France	440,410,918	100	100
Immobilière Groupe SEB [a]	***	France	799,230,388	100	100
OTHER EU COUNTRIES [c]					
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
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
Groupe SEB Investment	Holding company	United States		100	100
All-Clad Metal-Crafters LLC	*	United States		100	100

Company		Core business [b]	Headquarters	Registration no.	% voting rights	% interest
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	99.5
Imusa USA LLC		**	United States		100	99.5
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	99.5
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
Coranco Corporation Ltd		**	Canada		100	100
Corporación GSV 2015, C.A.		***	Venezuela		100	100
OTHER COUNTRIES						
Groupe SEB Schweiz GmbH		**	Switzerland		100	100
Groupe SEB Central Europe		**	Hungary		100	100
Groupe SEB Croatia		**	Croatia		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 Egypt holding		Holding company	Egypt		100	100
Groupe SEB Egypt import		**	Egypt		100	93.75
Groupe SEB Egypt JV		**	Egypt		75	75
Groupe SEB South Africa		**	South Africa		100	100
Groupe SEB Japan Co. Ltd		**	Japan		100	100
Groupe SEB Polska Zoo		**	Poland		100	100
Groupe SEB CR s.r.o.		**	Czech Republic		100	100
Groupe SEB Slovensko s.r.o		**	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		99.9	99.9
Vina Electric Fan	Joint stock company	*	Vietnam		100	99.9
ZJ Supor	Zehjiang Supor Co., Ltd	Holding company	China		71.44	71.44

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Company		Core business (b)	Headquarters	Registration no.	% voting rights	% interest
DG Supor	Dongguan Supor Electrical Appliances	*	China		100	80
SX Supor	Shaoxing Supor Life Electrical Appliances Co., Ltd	*	China		100	71.44
Vietnam Supor	Supor (Vietnam) Co., Ltd	*	Vietnam		100	71.44
WH CKW	Wuhan Supor Cookware Co., Ltd	*	China		100	78.24
WH Pressure	Wuhan Supor Pressure Cooker Co., Ltd	Holding company	China		99.36	70.98
WH Supor	Wuhan Supor Co., Ltd	***	China		96.53	68.96
WH Waste	Wuhan Supor Waste Recovery Co., Ltd	***	China		100	71.44
YH Waste	Yuhuan Supor Waste Recovery Co., Ltd	***	China		60	42.86
ZJ Rubber	Zhejiang Supor Rubber & Plastics Products Co., Ltd	*	China		93.23	66.6
ZJ Supor EA	Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd	*	China		100	75.58
Hangzhou Omegna trad.		**	China		100	71.44
Shanghai Cookware Supor Sales Co.		**	China		100	71.44
Groupe SEB India		*	India		100	100

(a) A member of the French tax group.
(b) Core business:
** manufacturing, sales and marketing;*
*** sales and marketing;*
**** services.*
(c) Includes only the 15 European Union states before enlargement

Note 32.2. ASSOCIATES

Company	Core business	Headquarters	Registration no.	% interest
		None		

Note 32.3. 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 Ingredient (not material in relation to the Group as a whole)	**	United States		100
ANZAI (not material in relation to the Group as a whole)	*	China		30

(a) Core business:
** manufacturing, sales and marketing;*
*** sales and marketing;*
**** services.*

5.5. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2014

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. 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 consolidated 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 consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2014 on:

- the audit of the accompanying consolidated financial statements of Seb SA;
- 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 consolidated financial statements based on our audit.

Opinion on the consolidated 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 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 assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statements presentation. 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 December 31, 2014 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 6.2 and 10 contain the appropriate disclosures.
- Note 1.4.10 to the consolidated financial statements describes how deferred tax has been determined and Note 8.4 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, March 11th 2015

The Statutory auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Nicolas Brunetaud	Gérard Badin

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COMPANY FINANCIAL STATEMENTS

6.1. FINANCIAL STATEMENTS

Balance Sheet of SEB S.A. at 31 December

ASSETS *(in € millions)*	2014 Gross	2014 Depreciation/ amortisation	2014 Net	2013 Net
NON-CURRENT ASSETS				
Patents, licenses and other rights	7.7	7.6	0.1	0.2
Shares in subsidiaries and affiliates	928.0	109.7	818.3	839.6
Loans to subsidiaries and affiliates	1,441.6	0.0	1,441.6	1,153.2
Other long-term investments	1.3	0.0	1.3	2.1
TOTAL	**2,378.6**	**117.3**	**2,261.3**	**1,995.1**
CURRENT ASSETS				
Trade receivables	0.3	0.0	0.3	0.3
Other receivables	25.1	0.0	25.1	16.9
Marketable securities	77.9	0.0	77.9	72.7
Cash and cash equivalents	197.1	0.0	197.1	168.8
Prepaid expenses	0.2	0.0	0.2	0.3
TOTAL	**300.6**	**0.0**	**300.6**	**259.0**
Deferred debt issuance costs	3.4	0.0	3.4	2.5
Bond redemption premium	0.2	0.0	0.2	0.2
Conversion losses	73.0	0.0	73.0	75.9
TOTAL CONVERSION LOSSES – ASSETS	**2,755.8**	**117.3**	**2,638.5**	**2,332.7**

EQUITY AND LIABILITIES (BEFORE APPROPRIATION OF PROFIT) *(In € millions)*	2014	2013
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	684.2	601.3
Net profit for the year	82.7	153.1
TOTAL	**947.2**	**934.7**
PROVISIONS FOR CONTINGENCIES AND CHARGES		
Provisions for contingencies	98.5	99.7
Provisions for charges	202.6	181.3
TOTAL	**301.1**	**281.0**
PAYABLES		
Bank borrowings	620.9	615.3
Other borrowings	704.7	474.2
Trade payables	1.3	0.3
Accrued taxes and payroll costs	2.1	1.7
Other payables	23.1	20.5
TOTAL	**1,352.1**	**1,112.0**
Conversion gains	38.1	5.0
TOTAL CONVERSION GAINS – LIABILITIES	**2,638.5**	**2,332.7**

Income Statement – Years ended 31 December

(in € millions)	2014	2013
Operating income		
Service revenues		
Reversals of depreciation, amortisation and provisions, expense transfers	0.7	0.1
Other income	0.3	0.3
TOTAL	**1.0**	**0.4**
Operating expenses		
Other purchases and external charges	6.6	5.5
Taxes other than on income	1.2	1.9
Wages and salaries	2.4	1.8
Payroll taxes	1.2	0.8
Depreciation and amortisation expense	1.1	2.0
Other expenses	0.9	0.9
TOTAL	**13.4**	**12.9**
OPERATING PROFIT	**(12.4)**	**(12.5)**
Financial revenues		
Income from investments in subsidiaries and affiliates	174.8	183.3
Interest income	4.8	3.5
Reversals of provisions, expense transfers	76.5	73.8
Foreign exchange gains	38.9	23.6
Net income from sales of marketable securities	0.0	0.2
TOTAL	**295.0**	**284.4**
Financial expenses		
Charges to provisions for impairment of financial assets	22.1	15.3
Interest and financial expenses	29.6	33.7
Charges to provisions for currency risks	73.0	75.8
Foreign exchange losses	72.1	0.0
TOTAL	**196.8**	**124.8**
FINANCIAL INCOME AND EXPENSE	**98.2**	**159.6**
PROFIT FROM ORDINARY ACTIVITIES	**85.8**	**147.1**
Non-recurring income		
Non-recurring income from revenue transactions		
Non-recurring income from capital transactions	5.6	5.5
Reversals of provisions, expense transfers	2.2	1.4
TOTAL	**7.8**	**6.9**
Non-recurring expenses		
Non-recurring expenses on revenue transactions	0.0	0.1
Non-recurring expenses on capital transactions	7.2	0.8
Charges to provisions	24.2	24.6
TOTAL	**31.4**	**25.5**
NET NON-RECURRING EXPENSE	**(23.6)**	**(18.6)**
Income tax (income)	(20.5)	(24.6)
PROFIT FOR THE PERIOD	**82.7**	**153.1**

6.2. NOTES TO THE SEB S.A. FINANCIAL STATEMENTS

SIGNIFICANT EVENTS OF THE YEAR

Bertrand Neuschwander appointed Chief Operating Officer and a new employee of SEB S.A.

The Board of Directors, at the recommendation of its Chairman Thierry de La Tour d'Artaise, appointed Bertrand Neuschwander as Chief Operating Officer of Groupe SEB. With this appointment, the Group, which has doubled in size in the last ten years, aimed to strengthen its operational efficiency and accelerate its growth. Accordingly, Bertrand Neuschwander became an employee of SEB S.A. during the period.

Syndicated credit renewed early

In keeping with its proactive financial management, last July SEB S.A. renegotiated with its partner banks its €560 million syndicated line of credit established in 2011 and expiring in February 2016.

Taking advantage of market conditions favourable to borrowers and making use of the same seven-bank pool, the Group signed a new syndicated facility of €560 million, the same amount, on 31 July 2014 for five years, with two options for one-year extensions, This financing supports the €600 million commercial paper programme but can also be used for other needs.

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 new *Plan Comptable Général* for 2014 (regulation 2014-03).

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' average portfolio 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.

- SEB S.A. takes care of the Group's long term and short term financing. With respect to the financing of subsidiaries, SEB S.A. has, in particular, set up an automatic daily bank balance reporting system to monitor the 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. Short-term 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.

  Some subsidiaries receive medium term financing, such as Colombia, Brazil and Thailand, among others, at the three-month rate of the currency involved plus an intermediation charge.

  Having a short-term Standard & Poor's rating of A2 on a €600 million programme, SEB S.A. issues commercial paper in euros. Foreign exchange swaps are used to transform this euro financing into the Group subsidiaries' local currencies. The foreign exchange exposure on the financing of non-euro subsidiaries is hedged in this way. A provision may be set aside to cover the unhedged portion of the risk.
- SEB S.A. puts competitiveness and transactional hedgings in place to cover exposure to currency risks. The hedged transactions are then recorded for the guaranteed price by SEB S.A. for the operating subsidiaries and in their own-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 cost of swap is recorded in the income statement upon the maturity of the swap.

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 principles 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. INCOME 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)	2013	Additions	Disposals	**2014**
Shares in subsidiaries and affiliates	928.0	0.0	0.0	928.0
Loans to subsidiaries and affiliates	1,153.2	322.5	34.1	1,441.6
Own shares	2.0	37.5	38.4	1.1
Other long-term investments	0.3	0.0	0.1	0.2
TOTAL COST	**2,083.5**	**360.0**	**72.6**	**2,370.9**
Provisions for impairment of shares in subsidiaries and affiliates	(88.4)	(21.3)	0.0	(109.7)
Provisions for impairment of other long-term investments	0.0	0.0	0.0	0.0
TOTAL PROVISIONS	**(88.4)**	**(21.3)**	**0.0**	**(109.7)**
TOTAL	**1,995.1**	**338.7**	**72.6**	**2,261.2**

(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	0.0	0.0	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	0.0
TOTAL PROVISIONS	**(83.4)**	**(6.0)**	**(1.0)**	**(88.4)**
TOTAL	**1,883.1**	**287.1**	**175.1**	**1,995.1**

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 SEB Internationale subsidiarie for €81.7 million, Immobilière Groupe SEB for €80 million, Groupe SEB USA for €27.7 million and SEB Commercial Do Brasil for €16 million. In addition, the Groupe SEB Vostok and Groupe SEB Korea subsidiaries repaid their loans for, respectively, €13.3 million and €5.0 million.

For the period the company took an additional impairment loss on its equity in subsidiaries for €21.3 million, including €5 million on Groupe SEB Moulinex, €6 million on S.A.S. SEB and €5 million on Seb Développement.

The only own shares recognised in non-current financial assets are those held under the liquidity contract. During the financial year, 604,510 shares were bought at an average price of €62.08, and 616,859 shares were sold at an average price of €62.08. At 31 December 2014, SEB S.A. held a total of €1,291,242 own shares at an average price of €61.18, in particular to cover options plans for the purchase of SEB shares.

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 profit	Attributable % interest	Carrying amount of shares in subsidiaries and affiliates	Loans and advances given and received by the company	Guarantees and bonds given by the company	Dividends received by the company during the period
Calor S.A.S.	11.5	100%	49.9	17.6	-	0.0
S.A.S. SEB	3.5	100%	104.0	42.4	-	0.0
Tefal S.A.S.	43.4	100%	6.6	24.7	-	6.9
Rowenta France S.A.S.	5.3	100%	16.6	(2.5)	-	0.0
Seb Développement S.A.S.	17.7	100%	9.8	(5.4)	-	6.3
Rowenta Invest BV	(0.2)	100%	211.8	0.2	-	0.0
SEB Internationale S.A.S.	485.9	100%	213.3	674.0	-	60.0
Groupe SEB France	134.4	98%	73.9	(119.5)	-	52.3
Groupe SEB Export	30.9	100%	38.0	(1.7)	-	20.5
Groupe SEB Moulinex	15.6	100%	77.3	3.5	-	0.0
Groupe SEB Retailing	7.0	100%	1.0	(0.3)	-	1.0
SEB Alliance	6.6	100%	5.5	10.2	-	0.0
Immobilière Groupe SEB	10.9	100%	10.0	(8.2)	-	0.0

3.1.2. Affiliates (10% to 50%-owned)

(in € millions)	Shareholders' equity	Attributable % interest	Carrying amount of shares in subsidiaries and affiliates	Loans and advances given and received by the company	Guarantees and bonds given by the company	Dividends received by the company during the period
S.I.S.	2.24	46.81%	0.5	7.7	-	0.14
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 €4,253.1 million, and profit attributable to owners of the parent came to €170.0 million.

Note 3.2. GENERAL INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES

At 31 December 2013, the aggregate carrying amount of the investments in other subsidiaries and affiliates was €0.2 million.

NOTE 4 OTHER RECEIVABLES

Other receivables, in the amount of €25.1 million, are largely consist of;

- €12.6 million in income tax receivables, comprising €10.7 million in prepayments, €3.8 million in tax credits receivable and the €1.3 million in net income tax expense for the year;
- €9.1 million in financial instruments;
- €1.4 million in deferred income from invoiced losses on options exercised during the period.

NOTE 5 PROVISIONS FOR CONTINGENCIES AND CHARGES

Changes in provisions for contingencies and charges for the year are as follows:

(in € millions)	2013	Increases	Reversals (unused)	Utilisations	2014
Provisions for claims and litigation					
Provisions for currency risks	75.8	73.0	75.8		73.0
Provisions for other risks	24.0	2.2	0.7	-	25.5
TOTAL PROVISIONS FOR CONTINGENCIES	**99.8**	**75.2**	**76.5**	**-**	**98.5**
Provisions for group relief	181.2	22.2	0.8		202.6
TOTAL PROVISIONS FOR CHARGES	**181.2**	**22.2**	**0.8**	**-**	**202.6**
TOTAL	**281.0**	**97.4**	**77.3**	**-**	**301.1**

(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**

Provisions for other contingencies consist 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, primarily to Immobilière Groupe SEB for €80.3 million, Groupe SEB Colombia for €34.9 million, Seb Commercial do Brasil for €16.0 million and Groupe SEB Ibérica for €8.9 million;
- €2.1 million in deferred arrangement fees and the €0.1 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 three instalments 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: €10.2 million due in 2016, €8.0 million due in 2017, €6.9 million due in 2018, and €5.5 million due in 2019.

			Maturities at 31 December 2014		
(in € millions)	2013	**2014**	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds	307.9	307.8	7.8	300.0	
Bank borrowings	36.8	42.3	42.3		
Other debts (including private placement)	270.6	270.9	50.9	220.0	
Commercial paper	76.0	155.0	155.0		
Intra-group borrowings	358.3	512.9	512.9		
Other borrowings	0.3	0.3			0.3
Non-discretionary profit sharing liability	39.6	36.7	6.3	30.4	0.0
TOTAL	**1,089.5**	**1,325.8**	**775.1**	**550.4**	**0.3**

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 of 31 December 2014, €155 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:

	2014		2013	
(in € millions)	Related parties	Direct investments	Related parties	Direct investments
Non-current financial assets	581.2	860.4	484.4	669.0
Receivables	0.4	1.9	0.3	-
Payables	(261.2)	(268.3)	(213.3)	(160.9)
TOTAL	**320.4**	**594.0**	**271.4**	**508.1**

The advances granted to related parties mainly concerned Groupe SEB Holdings (€268.5 million) and All-Clad Metal Crafter (€51.0 million).

NOTE 8 INCOME AND EXPENSES CONCERNING RELATED PARTIES

(in € millions)	**2014**	2013
OPERATING EXPENSES		
Trademark registration fees	0.1	0.0
Management fees	2.7	2.8
OPERATING INCOME		
Royalties	0.2	0.2
FINANCIAL EXPENSES		
Interest and financial expenses	0.0	0.0
FINANCIAL INCOME		
Investment income	147.2	158.4
Income from receivables	27.6	24.9
OTHER INCOME		
Expense transfers	1.4	0.0

Dividends are paid mostly by SEB Internationale (€60 million), Groupe SEB France (€52.3 million) and Groupe SEB Export (€20.5 million).

NOTE 9 ACCRUALS ACCOUNTS

Note 9.1. DEFERRED CHARGES

(in € millions)	**2014**	2013
Financial expenses	2.7	2.5
TOTAL	**2.7**	**2.5**

Note 9.2. CONVERSION GAINS AND LOSSES

(in € millions)	**2014**	2013
Receivables and payables denominated in foreign currency	69.2	72.9
Financial instruments	3.9	2.9
TOTAL CONVERSION LOSSES – ASSETS	**73.1**	**75.8**

(in € millions)	**2014**	2013
Receivables and payables denominated in foreign currency	32.2	2.6
Financial instruments	5.9	2.4
TOTAL CONVERSION GAINS – LIABILITIES	**38.1**	**5.0**

Note 9.3. DEFERRED INCOME

(in € millions)	**2014**	2013
Loans to subsidiaries and affiliates	8.3	6.7
TOTAL	**8.3**	**6.7**

Note 9.4. DEFERRED CHARGES

(in € millions)	2014	2013
Bank borrowings	11.3	11.5
Other borrowings	0.6	0.6
Trade payables	0.4	0.3
Accrued taxes and payroll costs	1.8	1.3
Other payables	0.3	0.3
TOTAL	**14.4**	**14.0**

NOTE 10 EXTRAORDINARY NET INCOME

(in € millions)	2014	2013
Provisions for group relief to be transferred to subsidiaries	(21.4)	(23.1)
Gains and (losses) on sales of own shares	(1.6)	4.7
Other	(2.1)	(0.2)
Non-recurring expense transfer	1.4	0.0
TOTAL	**(23.7)**	**(18.6)**

Over the financial year, the sale of a total of 1,150,615 own shares, including 616,859 as part of a liquidity contract and 533,756 to be granted under stock option exercises, generated a total net capital loss of €1.6 million. In addition, deferred income of €1.4 million was recognised on losses on options that are be invoiced to subsidiaries.

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 2014 financial year. This profit is composed in part of the income tax loss of €22.2 million, recognised as income and corresponding to:

- €1.3 million in definitively acquired tax savings for the year;
- €22.0 million in tax losses of consolidated subsidiaries used during the financial year;
- an expense of €1.1 million for use of prior losses for profit-making subsidiaries.

Moreover, an additional income tax charge for the contribution on distributed income, for €2.1 million was 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 €22.1 million addition to provisions for tax losses of subsidiaries other than SEB S.A. arising during the year;
- a €0.7 million reversal in respect of tax losses utilised during the year.

NOTE 12 INCOME TAX ANALYSIS

Income tax for the year ended 31 December 2014 breaks down as follows:

(in € millions)	Before tax	Tax expense/ (benefit)	After tax
Profit from ordinary activities	85.9	(4.9)	81.0
Net non-recurring expense	(23.7)	0.7	(23.0)
Tax loss carryforwards generated/(utilised)	0.0	4.2	4.2
Group relief	0.0	20.5	20.5
TOTAL	**62.2**	**20.5**	**82.7**

NOTE 13 OFF-BALANCE SHEET COMMITMENTS

	31/12/2014		31/12/2013	
(in € millions)	Notional amount	Market value	Notional amount	Market value
MARKET CONTRACTS				
Currency swaps (foreign currency borrower)	371.3	0.8	419.2	(0.1)
Currency swaps (foreign currency lender)	0.0	0.0	0.0	0.0
Forward sales of foreign currencies	140.5	3.2	87.0	1.1
Forward purchases of foreign currencies	885.2	49.2	407.8	6.1
Interest rate swaps	78.0	(1.9)	78.0	(0.5)
Aluminium derivatives	15.1	0.4	31.5	(3.7)
Nickel derivatives	2.1	0.0	2.0	(0.3)
CONTRACTS WITH SUBSIDIARIES				
Currency swaps (foreign currency lender)	62.2	(2.9)	29.9	(0.2)
Forward purchases of foreign currencies	210.0	1.6	50.3	0.4
Aluminium derivatives	15.1	(0.4)	31.5	(3.7)
Nickel derivatives	2.1	0.0	2.0	(0.3)

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 2014. It is estimated based on the exchange rate and interest rate on 31 December 2014, or obtained from the counterparty banks.

NOTE 14 PENSION COMMITMENT

The two corporate officers are members of the collective supplementary pension scheme which includes the Groupe SEB's french senior managers(members of the Executive and Management Committees).

The scheme complements the statutory schemes and is composed as follows:

- a defined benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration of the past three years;
- a defined benefit supplementary pension plan, under which beneficiaries are also subject to seniority and presence conditions. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated on the average of the target remuneration of the past three years and capped at 20 years seniority, i.e. a maximum 16% of the reference remuneration. A defined benefit collective scheme is available for top management, with a contribution equal to 8% of the salary. Pensions earned under this plan are deducted from the supplementary pension originating from the defined benefit supplementary pension plan.

To be eligible 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 scheme is capped at 41% of the reference remuneration (including the income from compulsory plans), this reference remuneration being itself capped at 36 times the annual social security ceiling in force at the time of the retirement.

As a result, the supplementary pension scheme for French top management (including the Chairman and CEO and the Chief Operating Officer) complies with AFEP-MEDEF Code 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 used: average of the last three yearly target remunerations,
- maximum of 41% including benefits from statutory schemes.

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.

In accordance with the applicable legislation concerning defined benefit plans, the entitlement to benefits is conditional upon the termination of the beneficiary's career within the company; in addition, the contributions cannot be customised. The supplementary and top-up plan expenses relating to Thierry de La Tour d'Artaise and Bertrand Neuschwander, recognised in the consolidated financial statements for 2014, amounts to €1,008,166.

Severance allowance and non-compete payments

FOR MR THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise will not be entitled to any compensation in case of termination of his corporate mandate.

His employment contract, signed when he joined Groupe SEB in 1994 and last amended when he was appointed CEO of the Company, 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. In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, 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 two years' remuneration (calculated on the average remuneration earned during the last two closed financial years), 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 the average percentage achieved is below 50%, no termination benefits shall be paid;
- if average actual performance represents 50% to 100% of the targets, the termination benefit will be comprised between 75% and 100%, according to linear calculation;
- 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 targets entitle the payment of termination benefits.

Thierry de La Tour d'Artaise's employment contract does not contain a non-competition clause.

Entitlement to stock-options in the event of termination:

In the event 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 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.

FOR MR BERTRAND NEUSCHWANDER

In the event of dismissal, he will be entitled to severance payment equal to two years' remuneration, minus the amounts paid under the non-competition clause and any termination benefits connected to the termination of the employment contract.

The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Bertrand Neuschwander received in his capacity as Chief Operating Officer.

The allowance, in accordance with Article L. 225 225-42-1 of the French Commercial Code, will be subject to performance conditions, measured in the following manner:

- if he is dismissed within four years of his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets over the last four years of service, as follows:
  - as corporate officer, for the period following his appointment and,
  - as a salaried employee, for the preceding period;
- if he is dismissed after four years from his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets, in said capacity, over the last four years of service;
- for both scenarios,
  - if the average percentage achieved is below 50%: no termination benefits shall be paid,
  - if the average percentage falls between 50% and 100%: the termination benefit will be between 75% to 100%, calculated with the linear method,
  - if average actual performance exceeds the targets, the termination benefit will be paid in full.

Furthermore, the severance allowance shall only be paid in the event of involuntary termination and remains capped at two years of remuneration (fixed and variable received), including the non-compete clause and any contractual indemnity for dismissal.

Non-compete clause

Pursuant to the non-compete agreement, in case of termination of his mandate as Chief Operating Officer, through removal or resignation, he shall be prohibited for a one-year period , renewable once, from working in any manner with a competitor of Groupe SEB.

In consideration of this non-competition clause and for its entire duration, Bertrand Neuschwander will receive a monthly non-competition payment amounting to 50% of his monthly average fixed and variable remuneration paid over his last 12 months of service within the Group.

The Board of Directors may release Bertrand Neuschwander from this non-competition clause.

This non-competition agreement and the terms of severance detailed above were approved by the Board of Directors on 22 April 2014. They were also disclosed as part of the permanent information related to compensation and benefits. Furthermore, it will be submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.

Continuation of the employment contract

Thierry de La Tour d'Artaise began his career with Groupe SEB in 1994 and was named Vice-Chairman of the Group in 1999 He was named Chairman and Chief Executive Officer in 2000. In accordance with changing governance practice, his employment contract was suspended in 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 Groupe SEB.

As for Bertrand Neuschwander, on 22 April 2014, the Board of Directors decided that the suspension of his employment contract was in line with the AFEP-MEDEF Code.

NOTE 15 UNRECOGNISED DEFERRED TAXES

At 31 December 2014, the company had an unrecognised deferred tax liability of €14.4 million (€1.8 million at 31 December 2013), 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 2014 is provided below:

At 31/12/2014	Date			Number of options (a)				Exercise price (b) *(in €)*
Type	of grant (b)	of exercise	of expiry	Granted	Exercised	Cancelled	Outstanding	
Purchase plan	16/06/2006	16/06/2010	16/06/2014	589,798	575,089	14,709	-	€29.33
Purchase plan	20/04/2007	20/04/2011	20/04/2015	579,150	504,910	8,100	66,140	€44.00
Purchase plan	13/05/2008	13/05/2012	13/05/2016	1,005,900	565,660	47,400	392,840	€38.35
Purchase plan	12/06/2009	12/06/2013	12/06/2017	371,300	224,524	15,266	131,510	€28.05
Purchase plan	18/06/2010	18/06/2014	18/06/2018	412,592	47,564	17,863	347,165	€53.86
Purchase plan	15/06/2012	15/06/2016	15/06/2020	408,925		1,500	407,425	€54.12
TOTAL *				**3,367,665**	**1,917,747**	**104,838**	**1,345,080**	
** Of which, movements in 2014*				*0*	*479867*	*7,577*	*(487,444)*	

(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 effect on that date.
(b) The grant date corresponds to the date of the Board Meeting when the performance share grants were decided.

At 31/12/2014	Date			Number of options				
Type	of grant (a)	of vesting	of end of lock-up	Granted	Vested	Cancelled (b)	Outstanding	Share price at grant date (b)
Performance shares	23/07/2013	23/07/2016	23/07/2018	233,475			233,475	63.00
Performance shares	22/07/2014	22/07/2017	22/07/2019	169,175			169,175	64.00

(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.

NOTE 17 EQUITY

Share capital

At 31 December 2014, share capital stood at €50,169,049 and was made up of 50,169,049 fully paid-up shares, representing 73,272,530 total "theoretical" voting rights, and 71,981,288 effective voting rights (excluding treasury stock).

Changes in equity

SHAREHOLDERS' EQUITY AT 31 DECEMBER 2013 BEFORE APPROPRIATION OF PROFIT	934.7
2013 dividend paid in 2014	(70.2)
Net profit for the year	82.7
Premiums on shares issued to employees	
EQUITY AT 31 DECEMBER 2014	**959.6**

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**

Potential ordinary shares at 31 December 2014

There are no convertible bonds or equity notes outstanding or securities not representing capital.

NOTE 18 EMPLOYEES

The average number of employees was 1.67 people (against 1 person at 31 December 2013). From 22 April 2014, the company's headcount rose to 2 people.

NOTE 19 SUBSEQUENT EVENTS

Through its subsidiary SEB Internationale, SEB S.A. agreed to buy 10 million shares in Supor (1.58% of its equity) from the Su founding family during the first half of 2015. The transaction will be carried out at 17.5 yuans per share and is subject to approval by the Chinese authorities.

6.3. FIVE-YEAR FINANCIAL SUMMARY

(in € thousands)	**2014**	2013	2012	2011	2010
SHARE CAPITAL AT YEAR-END					
a) Share capital	50,169	50,169	50,169	49,952	49,952
b) Number of shares outstanding	50,169,049	50,169,049	50,169,049	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	104,853	170,977	70,279	160,295	49,519
c) Income tax	(20,520)	(24,590)	(32,186)	(29,186)	14,710
d) Net profit	82,712	153,091	61,289	77,779	45,722
e) Dividend payout [(a)]	72,000	67,351	64,144	62,403	51,237
PER SHARE DATA (IN €)					
a) Earnings per share after tax and before depreciation, amortisation and provisions	2.47	3.90	2.04	3.79	0.70
b) Earnings per share	1.65	3.05	1.22	1.56	0.92
c) Dividend per share	1.44	1.39	1.32	1.25	1.17
EMPLOYEES					
a) Number of employees	1.60	1.00	1.00	1.00	1.00
b) Total payroll	2,419	1,795	1,681	1,833	2,196
c) Total payroll taxes	1,163	817	1,152	510	2,246

(a) Including dividend supplement (amount estimated in 2014).

6.4. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. 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 2014 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 fi nancial 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 fi nancial 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 fi nancial statements. We believe that the audit evidence we have obtained is suffi cient and appropriate to provide a basis for our audit opinion.

In our opinion, the fi nancial statements give a true and fair view of the assets and liabilities and of the fi nancial position of the company as at 31 December 2014 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 fi nancial 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 specifi c verifi cations 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, 11 March 2015

The Statutory auditors

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

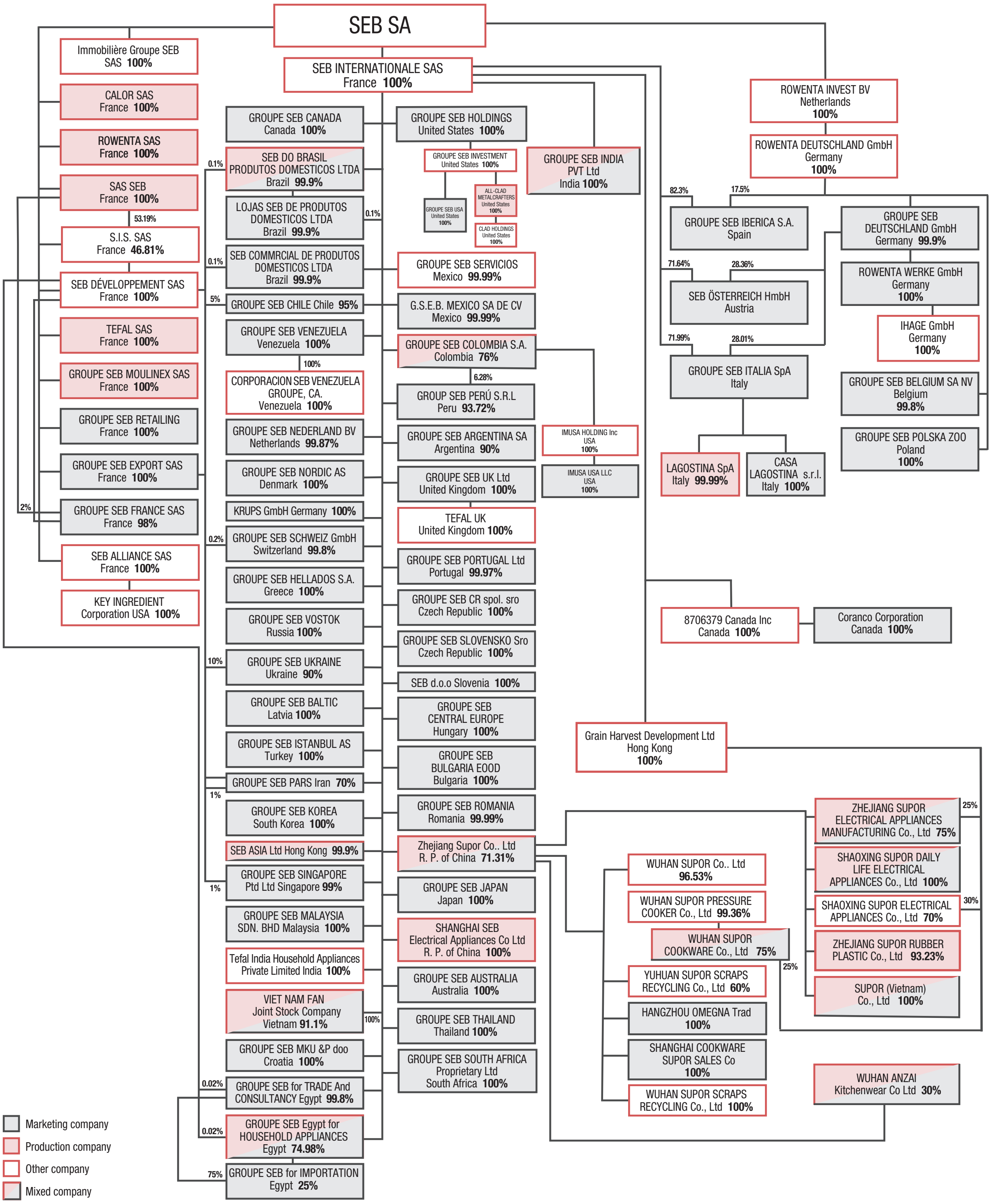
7

INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

7.1. INFORMATION CONCERNING THE COMPANY

Groupe SEB legal organisational chart

Groupe SEB legal organisational chart at 01/01/2015



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. Dual voting rights are allocated to any fully paid-up share subject to the nominative share holding period in the name of the same shareholder. This registered holding period requirement set by the founders at two years from the establishment of the company in 1973, was extended to five years at 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.

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, year of birth, address, and nationality of holders of shares in the company;
- the number 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 2014.

Share capital at 31 December 2014

On 31 December 2014, share capital stood at €50,169,049 and was made up of 50,169,049 fully paid-up shares, representing 73,272,530 total "theoretical" voting rights, and 71,981,288 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

Pursuant to Article L. 225-100-3 of the French Commercial Code, factors which could affect a hypothetical takeover bid are as follows:

CAPITAL STRUCTURE OF THE COMPANY

See following page: "Breakdown of share capital and voting rights on 31/12/2014".

SHAREHOLDER AGREEMENTS OF WHICH THE COMPANY IS AWARE

See following page: "Shareholder agreements – concerted voting block".

POWERS OF THE BOARD OF DIRECTORS IN THE EVENT OF A TAKEOVER BID

The General Meeting of 15 May 2014 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. INFORMATION ON SHARE CAPITAL

Breakdown of share capital and voting rights on 31 December 2014

	Share capital				OGM voting rights			EGM voting rights		
	OGM		EGM			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	6,632,226	13.22%	3	0.00%	12,919,114	17.95%	17.63%	6	0.00%	0.00%
Associates	4,602,405	9.17%	11,289,628	22.50%	8,380,661	11.64%	11.44%	21,409,769	29.74%	29.22%
SUB-TOTAL	**11,234,631**	**22.39%**	**11,289,631**	**22.50%**	**21,299,775**	**29.59%**	**29.07%**	**21,409,775**	**29.74%**	**29.22%**
VENELLE INVESTISSE-MENT	17,902	0.04%	17,902	0.04%	35,804	0.05%	0.05%	35,804	0.05%	0.05%
Associates	9,329,788	18.60%	10,061,788	20.06%	18,415,486	25.58%	25.13%	19,879,486	27.62%	27.13%
SUB-TOTAL	**9,347,690**	**18.63%**	**10,079,690**	**20.09%**	**18,451,290**	**25.63%**	**25.18%**	**19,915,290**	**27.67%**	**27.18%**
FOUNDER GROUP	**20,582,321**	**41.03%**	**21,369,321**	**42.59%**	**39,751,065**	**55.22%**	**54.25%**	**41,325,065**	**57.41%**	**56.40%**
FSP	2,633,876	5.25%	2,633,876	5.25%	2,633,876	3.66%	3.59%	2,633,876	3.66%	3.59%
FFP Invest	2,521,522	5.03%	2,521,522	5.03%	2,521,522	3.50%	3.44%	2,521,522	3.50%	3.44%
Employees	1,734,406	3.46%	1,734,406	3.46%	2,917,517	4.05%	3.98%	2,917,517	4.05%	3.98%
French investors	6,176,256	12.31%	5,389,256	10.74%	7,896,644	10.97%	10.78%	6,322,644	8.78%	8.63%
Foreign shareholders	12,375,797	24.67%	12,376,726	24.67%	12,522,129	17.40%	17.09%	12,523,988	17.40%	17.09%
French individual shareholders	2,853,629	5.69%	2,852,700	5.69%	3,738,535	5.19%	5.10%	3,736,676	5.19%	5.10%
Trasury stock	1,291,242	2.57%	1,291,242	2.57%		0.00%	1.76%			1.76%
CARRYING AMOUNT	**50,169,049**		**50,169,049**			**71,981,288**	**73,272,530**		**71,981,288**	**73,272,530**

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 71,981,288, not including non-voting shares, i.e. those held by SEB S.A.

The total number of "theoretical" voting rights is 73,272,530. 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.

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 FÉDÉRACTIVE or VENELLE INVESTISSEMENT associates temporarily granted the usufruct of their shares to foundations. These shares are included under "French investors" at the OGM and under "FÉDÉRACTIVE partners" or "VENELLE INVESTISSEMENT partners" at the EGM.

SHAREHOLDER AGREEMENTS – CONCERTED VOTING BLOCK

The FÉDÉRACTIVE and VENELLE INVESTISSEMENT family holdings, representing together with their associates 57.41% 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.

The non-renewal of the shareholders agreement of 5 November 2005 which expired on 5 November 2009 thus did not bring an end to the action in concert between the parties to the agreement within the meaning of Article L. 233-10 of the French Commercial Code (D&I AMF no. 209C0644 of 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 31/12/2014	2013	2013	2014	2014	2014
Scheme	Dutreil Art. 885 I Bis of the General Tax Code	Jacob Art. 787 B of the General Tax Code	Dutreil Art. 885 I Bis of the General Tax Code	Jacob Art. 787 B of the General Tax Code	Jacob Art. 787 B of the General Tax Code
Signed on	12/12/2013	12/12/2013	03/12/2014	03/12/2014	03/12/2014
Term of collective commitment	6 years	2 years	5 years	2.5 years	5 years
Expiration date of commitment	12/12/2019	12/12/2015	03/12/2019	03/06/2017	03/12/2019
Terms of renewal	1 year by tacit renewal	None	1 year by tacit renewal	None	None
Percentage of share capital committed upon execution of the agreement	22.78	22.78	27.34	27.34	27.34
Percentage of voting rights committed upon execution of the agreement	29.06	29.06	36.15	36.15	36.15
Names of top-management signatories	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise	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	FSP	FSP	FSP	FSP	FSP

Changes in share capital breakdown and voting rights over the last three years

	Share capital				OGM voting rights			EGM voting rights		
31/12/2014	OGM		EGM			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	6,632,226	13.22%	3	0.00%	12,919,114	17.95%	17.63%	6	0.00%	0.00%
Associates	4,602,405	9.17%	11,289,628	22.50%	8,380,661	11.64%	11.44%	21,409,769	29.74%	29.22%
SUB-TOTAL	**11,234,631**	**22.39%**	**11,289,631**	**22.50%**	**21,299,775**	**29.59%**	**29.07%**	**21,409,775**	**29.74%**	**29.22%**
VENELLE INVESTISSE-MENT	17,902	0.04%	17,902	0.04%	35,804	0.05%	0.05%	35,804	0.05%	0.05%
Associates	9,329,788	18.60%	10,061,788	20.06%	18,415,486	25.58%	25.13%	19,879,486	27.62%	27.13%
SUB-TOTAL	**9,347,690**	**18.63%**	**10,079,690**	**20.09%**	**18,451,290**	**25.63%**	**25.18%**	**19,915,290**	**27.67%**	**27.18%**
FOUNDER GROUP	**20,582,321**	**41.03%**	**21,369,321**	**42.59%**	**39,751,065**	**55.22%**	**54.25%**	**41,325,065**	**57.41%**	**56.40%**
FSP	2,633,876	5.25%	2,633,876	5.25%	2,633,876	3.66%	3.59%	2,633,876	3.66%	3.59%
FFP Invest	2,521,522	5.03%	2,521,522	5.03%	2,521,522	3.50%	3.44%	2,521,522	3.50%	3.44%
Employees	1,734,506	3.46%	1,734,406	3.46%	2,917,517	4.05%	3.98%	2,917,517	4.05%	3.98%
French investors	6,176,256	12.31%	5,389,256	10.74%	7,896,644	10.97%	10.78%	6,322,644	8.78%	8.63%
Foreign shareholders	12,375,797	24.67%	12,376,726	24.67%	12,522,129	17.40%	17.09%	12,523,988	17.40%	17.09%
French individual shareholders	2,853,629	5.69%	2,852,700	5.69%	3,738,535	5.19%	5.10%	3,736,676	5.19%	5.10%
Trasury stock	1,291,242	2.57%	1,291,242	2.57%			1.76%		0.00%	1.76%
TOTAL	**50,169,049**		**50,169,049**			**71,981,288**	**73,272,530**		**71,981,288**	**73,272,530**

	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 INVESTISSE-MENT	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**		**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 INVESTISSE-MENT	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**		**50,169,049**			**71,897,977**	**73,948,079**		**71,897,977**	**73,948,079**

At 31 December 2014, more than 6,800 shareholders owned registered SEB shares and 16,700 shareholders held SEB bearer shares (TPI inquiry dated 31 December 2014).

To the knowledge of the company, there were no other shareholders who own directly, indirectly or jointly with others, 5% or more of the share capital or voting rights at 31 December 2014.

SHARES IN THE SEB S.A. NOMINAL REGISTER USED AS COLLATERAL AT 31 DECEMBER 2014

During the year, 13 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 117,536 shares, or 0.23% of share capital.

Changes in share capital over the last five years

Year	Type of issue of share capital	Amount of change in shares	Notional amount *(in €)*	Additional paid-in capital *(in €)*	Total share capital *(in €)*
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
2014	No change to share capital				50,169,049

Potential ordinary shares at 31 December 2014

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 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.

In 2014:

- part of the temporary grant of the usufruct of shares to FÉDÉRACTIVE ended on 1 July and have not been renewed; FÉDÉRACTIVE has also acquired and transferred the usufruct of shares of some of its associates. These transactions have not altered the overall stake of FÉDÉRACTIVE and its associates;
- in December, a reclassification of 314,600 shares with double voting rights impacted the holding of voting rights of FÉDÉRACTIVE associates.

7.3. FINANCIAL AUTHORISATIONS

Authorisations to issue shares and other securities

Type of operation	Date of authorisation	Expiry of authorisation	Maximum amount authorised	Used at 31/12/2014
The company's purchase in 2014 of its own shares				
at a maximum price of €130	14/05/2013	15/05/2014	5,016,904 shares €652,197,520	300,000 shares
at a maximum price of €100	15/05/2014	15/07/2015	5,016,904 shares €501,690,400	125,000 shares
Cancellation of its own shares by the company	15/05/2014	15/07/2015	5,016,904 shares	
Issue of all types of securities with preferential subscription rights	15/05/2014	15/07/2015	Shares: 5 million at par (debt securities: €150 million)	
Issue of all types of securities without preferential subscription rights	15/05/2014	15/07/2015	Shares: 5 million at par (debt securities: €150 million)	
Issue of share capital by incorporation of reserves, income, shares or other premiums	15/05/2014	15/07/2015	€10,000,000	
Issue of share capital reserved for employees	14/05/2013	14/07/2015	1% of share capital (501,690 shares)	

Authorisation for the company to trade in its own shares

Following the authorisations conferred upon it by the meetings of 2013 and 2014 and pursuant to Article 225-209 of the French Commercial Code, your company acquired 425,000 shares in 2014 at an average price of €60.60, 479,867 shares were transferred via the exercise of purchase options at an average price of €39.62 and 53,889 free performance shares under the 2012 plan were definitively allocated.

In addition, a total of 604,510 shares were purchased at an average price of €62.05 and 616,859 shares sold at an average price of €62.08 under the liquidity contract.

At 31 December 2014, the company had 1,291,242 treasury shares, i.e. 2.57% of its share capital, of which 1,273,130 under the buyback agreement and 18,112 under the liquidity agreement.

The company will renew its request to the General Meeting of 12 May 2015 for authorisation to trade in its own shares.

7.4. EMPLOYEE SHAREHOLDING

Staff mutual investment fund and direct employee shareholding

At 31 December 2014, employees of Groupe SEB's companies held 1,173,761 shares, 966,240 of which were owned as part of a company savings scheme via an employee mutual investment fund, and 207,521 were directly owned. These shares represent 2.34% of share capital and 3.10% of voting rights. With the addition of SEB shares held by employees outside the savings scheme, employees held a total of 3.46% of the share capital and 4.05% 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 all employees of the French companies in 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 statutory scheme, 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 French companies, regardless of their business sector and performance.

In 2014, charges recognised for bonus and profit-sharing schemes amounted to €33.3 million.

Over the past five years, the sums assigned were as follows:

(in € millions)	2009	2010	2011	2012	2013	**2014**
Sum assigned	33.5	50.3	44	43.6	37.2	33.3
Of which employer's social tax contribution	1.3	2.9	3.3	7.1	6.2	5.3

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.

Furthermore, all recipients of stock options and/or performance shares receive an internal directive put out each year for the following yearly reporting period, defining the blackout periods in accordance with the recommendations of the French Markets Authority in terms of the company's accounting calendar, particularly the announcement of earnings. This memo also reminds its recipients of the rules regarding the use of information deemed privileged by stock market regulations.

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.

History of stock option allocation for share subscription or purchase

At 31 December 2014	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Date of AGM	11/05/2006	04/05/2007	13/05/2008	13/05/2009	12/05/2010	10/05/2012
Number of stock options authorised by the AGM [(a)]	1,529,355	1,529,355	1,017,761	598,945	649,373	415,000
Duration of authorisation	3 years	3 years	3 years	14 months	14 months	14 months
Date of Board of Directors' Meeting	16/06/2006	20/04/2007	13/05/2008	12/06/2009	18/06/2010	15/06/2012
Number of stock options allocated [(a)]	589,798	579,150	1,005,900	371,300	412,592	408,925
of which to Group Management Board	357,000	346,350	261,600	254,250	259,442	175,500
of which to corporate officers [(a)]	105,012	105,000	105,000	71,250	59,942	54,000
of which to top employee recipients [(a)]	234,000	234,000	104,400	72,900	57,600	49,400
Number of initial recipients	111	109	395	111	144	186
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	54.11
Number of options exercised [(a)]	575,089	504,910	565,660	224,524	47,564	0
Number of options cancelled [(a)]	14,709	8,100	47,400	15,266	17,863	1,500
BALANCE OF STOCK OPTIONS REMAINING TO BE EXERCISED 31/12/2014	**0**	**66,140**	**392,840**	**131,510**	**347,165**	**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.

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Performance shares allocated to staff

At 31 December 2014

Date of AGM	10/05/2012	14/05/2013	15/05/2014
Number of shares authorised by the AGM	64,937	240,811	171,325
Duration of authorisation	14 months	14 months	14 months
Date of Board of Directors' Meeting	15/06/2012	23/07/2013	22/07/2014
Number of shares allocated:	63,938	233,475	169,175
of which to Group Management Board	14,618	64,500	61,950
of which to corporate officers	4,500	18,000	18,000
of which to top employee recipients	12,338	24,625	22,515
Number of initial recipients:	186	357	183
of which Group Management Board	14	15	15
of which top employee recipients	26	26	25
Allocation date	15/06/2012	23/07/2013	22/07/2014
Vesting date	15/06/2014	23/07/2016	22/07/2017
Expiry of lock-up period	15/06/2016	23/07/2018	22/07/2019
Number of shares cancelled	10,049	0	0
Number of shares granted	53,889	0	0
BALANCE OF SHARES REMAINING TO BE GRANTED	**0**	**233,475**	**169,175**

Stock options allocated in 2014

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 2014

Ten highest stock options exercised by non-executive officers

Date of the plan	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
Price of option	€29.33	€44.00	€38.35	€28.05	€53.86	€54.12
Number of stock options exercised	21,558	70,048	37,200	30,038	25,666	

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 price *(in €)*	Lowest pric *((in €)*	Number of shares exchanged	Capital exchanged *(in € thousands)*
			Daily averages	
2013	**69.5**	**51.5**	**75,245**	**4,573**
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	69.5	65.02	39,019	2,631
12	68.9	63.21	92,587	6,118
2014	**63.14**	**62.16**	**56,210**	**3,496**
1	66.08	57.04	99,943	6,059
2	62.83	57.02	68,634	4,101
3	63.23	56.85	71,311	4,227
4	66.90	62.63	66,163	4,277
5	68.99	64.82	43,023	2,880
6	67.21	64.00	36,596	2,400
7	65.79	60.50	42,939	2,731
8	61.36	59.05	33,188	2,000
9	63.85	59.59	49,657	3,066
10	57.26	65.29	71,846	4,386
11	66.10	63.51	37,986	2,474
12	66.74	59.55	51,439	3,254
2015				
1	63.54	58.01	90,294	5,427

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 2015 to long-term shareholders in respect of shares held by the same shareholder in the nominal register since at least 31 December 2012 and still held on the ex-dividend date, 15 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 share *(in €)*
2010		
Ordinary dividend	47,372,752	1.04
Supplementary dividend	18,885,247	0.104
2011		
Ordinary dividend	48,059,402	1.17
Supplementary dividend	18,634,446	0.117
2012		
Ordinary dividend	47,619,235	1.25
Supplementary dividend	18,714,482	0.125
2013		
Ordinary dividend	48,234,105	1.32
Supplementary dividend	18,759,948	0.132
2014		
Ordinary dividend	48,621,121	1.39
Supplementary dividend	17,434,675	0.139

Based on the 2014 results, a net dividend of €1.44 per share will be proposed at the Annual General Meeting of 12 May 2015.

The ex-dividend date will be 15 May and the dividend will be paid on 19 May 2015.

8

GENERAL MEETING

8.1. REPORT OF THE BOARD OF DIRECTORS ON THE RESOLUTIONS PROPOSED TO THE GENERAL MEETING OF 12 MAY 2015

Trading in the company's shares

At 31 December 2014, the company held 1,291,242 of its own shares with a par value of €1, with a gross value of €79,501,769.94. These shares represented 2.57% of the company's issued capital at that date.

In 2014, the company bought a total of 425,000 own shares under its buyback programme at an average price of €60.60. In accordance with Article 6.3 (b) of European Commission regulation no. 2273/2003, of 22 December 2003, the company signed two contracts with Natixis Corporate Broking to carry out the buyback programme. The first contract, signed for a period running from 22 January 2014 to 14 May 2014, resulted in the acquisition of 300,000 shares and that the second contract, signed for a period running from 30 October 2014 to 31 January 2015, resulted in the acquisition of 125,000 shares.

It sold 479,867 shares, following the exercise of stock options, at an average price of €39.62. The company also allocated 53,889 performance shares.

In addition, your company signed a liquidity contract with Natixis Corporate Broking, with effect from 1 September 2013. The contract complies with the code of ethics issued by the French association of financial markets (*Association française des marchés financiers*), which was approved by the French securities regulator (*Autorité des Marchés Financiers*) on 8 March 2011.

During 2014, 604,510 SEB S.A. shares were purchased and 616,859 shares were sold under this liquidity contract. The transaction costs amounted to €94,157 (this includes the yearly fee for the liquidity contract, commissions and the Tax on Financial Transactions).

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.

Setting the dividends

Our proposal is to set the dividend at €1.44 per share, representing a 3.6% increase compared with the dividend paid in 2014.

For the twentieth year running, shareholders will be entitled to a supplementary dividend on all shares registered in their name prior to 31 December 2012 and still held in their portfolio on the ex-dividend date (15 May 2015). These shares represent 53.54% of the outstanding total.

No single shareholder will be entitled to the supplementary dividend of 10% on any shares in excess of 0.5% of the company's issued capital.

The dividend will be paid as from 19 May 2015.

Composition of the Board of Directors

As the mandates of Hubert Fèvre and Cedric Lescure are due to expire at the General Meeting of 12 May 2015, we propose, on the recommandation of the Nominations and Remuneration Committee, that you renew their mandate for four years.

In addition, as the mandate of Jacques Gairard is due to expire at the General Meeting of 12 May 2015 and he does not wish his term of office to be renewed, he will be replaced. To this end, we propose, on the recommandation of the Nominations and Remuneration Committee, that you appoint William Gairard to the Board for a four years period.

Hubert Fèvre, 50 years of age, is a graduate accountant. He held financial management positions with Banque Pasche (CM-CIC) in Geneva and a number of finance positions with the Sonatrach Petroleum Corporation, VSNL International, Addax & Oryx and Finacor groups in London. He is also a member of the Advisory Board of FÉDÉRACTIVE and the Board of Directors of FCL Investissements.

Cédric Lescure, 47 years of age, is a veterinarian. He is also Managing Director of Clinique Vétérinaire du Clos Guillaume, which he set up in 2000 in Fontaine-les-Dijon (Côte-d'Or), President of Vetshop21 S.A.S. (distribution of veterinary products) and a member of the Advisory Board of FÉDÉRACTIVE.

William Gairard, 34 years of age, is a graduate of EM Lyon and has served for seven years as Controller for Management and Auditing at Pernod Ricard, SA. He heads currently Ecopro Solutions S.A. de C.V., a Mexican company that promotes the responsible use of plastic, which he founded in 2012.

Renewal and appointment of Statutory auditors

Since the mandate of the Principal and Substitute Statutory auditors has expired, it is time to renew it and to make new appointments. In that connection, the company issued calls for bids during the second half of 2014. These calls and their results were supervised by the Audit Committee.

The process has led us to propose the renewal of the mandate of PricewaterhouseCoopers Audit as joint Principal Statutory auditors for a term of six fiscal years and to appoint as its substitute, Jean-Christophe Georghiou.

We further propose that you appoint Mazars as joint Principal Statutory auditors for a term of six fiscal years, as well as its substitute Gilles Rainaut.

Amount of 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.

Opinion on the items of remuneration due or awarded for fiscal year 2014 to Thierry de La Tour d'Artaise, the Chief Executive Officer, and Bertrand Neuschwander, Chief Operating Officer

In accordance with the recommendations of the AFEP-MEDEF Code, as updated in June 2013 (Article 24), 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 executive directors in respect of the past year are submitted to a vote of the shareholders:

- fixed;
- annual variable component and, if applicable, multiyear variable component, along with the targets on which they are based;
- any extraordinary compensation;
- shares options, performance shares and any other element of long-term compensation;
- benefits linked to taking up or terminating office;
- supplementary pension scheme;
- any other benefits.

The twelfth and thirteenth resolutions invite you to vote on the elements of the compensation due or awarded to Thierry de La Tour d'Artaise, Chief Executive Officer, and Bertrand Neuschwander, Chief Operating Officer, in respect of 2014. These are described in Chapter 2 of this Registration Document, in the section Say On Pay - Consultation with shareholders on the remuneration of executive officers.

Allocation of 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 grants free shares representing up to 0.3410% of the company's share capital or 171,075 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. All performance shares awarded shall be subject to sales growth and operating result from activity targets set by the Board of Directors each year, based on budgetary objectives assigned to the Group.

The number of shares granted to the corporate officers will be capped at 18,000, or 0.0359% of the company's share capital for Thierry de La Tour d'Artaise and 9,000 shares or 0.0179% of the share capital for Bertrand Neuschwander.

We ask you to set the vesting period at three years of measured operating performance for beneficiaries, followed by a mandatory lock-up period of 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 five years and to waive the lock-up period if the vesting period is set at five years.

We ask you to give the Board of Directors full powers to set the terms and conditions of the performance share grants, including in order to determine the identity of the beneficiaries of the free share grants.

Financial authorisations

At the Annual General Meeting, we will ask you to give the Board of Directors 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.

We ask you to grant the Board of Directors an authorization to increase the share capital, on one or more occasions, by a maximum nominal amount of €5,000,000, while maintaining shareholders' pre-emptive subscription rights.

In addition, to allow us to rapidly take up any opportunities that may arise, we also ask you to grant an authorization to issue shares or shares equivalents giving rights to the company's capital, by a maximum nominal amount of €5,000,000, without shareholders' pre-emptive subscription rights. The Board of Director 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.

The agregate par value of debt securities issued pursuant to this authorisation shall not exceed €150,000,000.

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.

We additionally ask you to grant the Board of Directors an authorization to increase the share capital by capitalising retained eranings, profit, premiums or additional paid-in capital by a maximum aggregate amount of €10,000,000.

Finally, we ask you to set at €10,000,000 the maximum aggregate par value of shares to be issued pursuant to the authorizations given to the Board of Directors (resolutions 17 and 18).

All of these authorisations are being sought for a period of 14 months.

Capital increases reserved for members of a savings plan sponsored by the company or the Group

In accordance with Article L. 225-129-6 of the French Commercial Code, we are required to submit to shareholders a proposal to authorise the Board to carry out issues of shares and/or share equivalents, without pre-emptive subscription rights for existing shareholders, for subscription by members of an employee stock ownership plan (*Plan d'Épargne d'Entreprise*). The issue of share capital that could take place pursuant to this authorisation would be capped at 1% of the company's capital as at the close of the 2012 Annual General Meeting. The par value of any such shares issued would not be included in the ceilings specified in the other financial authorisations granted by shareholders.

In application of Articles L. 3332.1 et seq. of the French Labour Code, the shares issued pursuant to this authorisation would be offered for subscription at a maximum discount of 20%, unless the shares are offered to members of an employee stock ownership plan under which the lock-up period is at least ten years, in which case the maximum discount would be 30%.

This authorisation is being sought for a period of 26 months.

Amendments to the bylaws

Subsequent changes to the law have made it necessary to update a certain number of our bylaws. Accordingly, we ask that you approve amendments made to Articles 8, 9, 12, 19, 20, 22, 25, 27, 30, 31, 32, 33 and 35.

To aid in your understanding of the proposed updates. you will find below a summary table that explains all the changes made and the reasons for them.

ARTICLE 8 – SHARE CAPITAL

The purpose of amending Article 8 of the bylaws is:

- to extend the declarations of threshold crossings defined by the bylaws to stock options. This will require them to be grouped together with shares and be subject to the exemptions that apply to legally defined thresholds, by calculating them using the methods provided in Articles L. 233-7 and L. 233-9 of the French Commercial Code;
- to align the declaration deadline with that for the thresholds defined by law, which is the fourth trading day following the threshold crossing (Article R. 233-1 of the French Commercial Code).

FORMER VERSION	PROPOSED VERSION
~~1.~~ The share capital shall be set at fifty million one hundred and sixty-nine thousand and forty-nine euros (€50,169,049). It shall be divided into fifty million one hundred and sixty-nine thousand and forty-nine (50,169,049) shares with a nominal value of one (1) euro.	The share capital shall be set at fifty million one hundred and sixty-nine thousand and forty-nine euros (€50,169,049). It shall be divided into fifty million one hundred and sixty-nine thousand and forty-nine (50,169,049) shares with a nominal value of one (1) euro.
~~2.~~ Any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, 2.5% of the share capital or voting rights, or any multiple of that percentage, shall be required to notify the company of the total number of shares held by it ~~within a period of five trading days~~ of crossing one of these thresholds or any other threshold provided for in law. Failure to comply with this obligation and upon request, duly recorded in the minutes of the general meeting, by one or more shareholders holding at least 5% of the share capital or voting rights, the shares in excess of the amount required to be reported shall be stripped of their voting rights until such time as the situation is rectified and for a period of two years after the date on which they are properly reported.	Any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, **as defined by Articles L. 233-7 and L. 233-9 of the French Commercial Code**, 2.5% of the share capital or voting rights, or any multiple of that percentage, shall be required to notify the company of the total number of shares held by it **within a period of four trading days** of crossing one of these thresholds or any other threshold provided for in law. Failure to comply with this obligation and upon request, duly recorded in the minutes of the general meeting, by one or more shareholders holding at least 5% of the share capital or voting rights, the shares in excess of the amount required to be reported shall be stripped of their voting rights until such time as the situation is rectified and for a period of two years after the date on which they are properly reported.
This duty to report shall apply under the same procedures and within the same timeframes when the number of shares or voting rights falls below the aforementioned thresholds.	This duty to report shall apply under the same procedures and within the same timeframes when the number of shares or voting rights falls below the aforementioned thresholds.
~~3.~~ Each member of the Board of Directors shall be required to hold at least one share.	Each member of the Board of Directors shall be required to hold at least one share.

ARTICLE 9 – CAPITAL INCREASE

The purpose of amending Article 9 of the bylaws is to change the term "priority shares" by substituting for it the term "preference shares" as introduced by the ordinance of 24 June 2004.

FORMER VERSION	PROPOSED VERSION
The share capital may be increased by resolution or authorisation of the extraordinary general meeting by any means and procedure provided for by current laws and regulations.	The share capital may be increased by resolution or authorisation of the extraordinary general meeting by any means and procedure provided for by current laws and regulations.
Preference shares ~~with priority rights over other shares~~ may be created ~~to represent capital increases subject to any legal stipulations regulating voting rights.~~	**Preference shares may be created, with or without voting rights and bearing specific rights of any kind, temporarily or permanently.**
In the event of the incorporation of reserves, profits or issue premiums, the extraordinary general meeting shall decide under the same quorum and majority requirements as for ordinary general meetings.	In the event of the incorporation of reserves, profits or issue premiums, the extraordinary general meeting shall decide under the same quorum and majority requirements as for ordinary general meetings.
Capital increases may be effected notwithstanding the existence of fractional shares, subscription and allocation rights being negotiable or transferrable.	Capital increases may be effected notwithstanding the existence of fractional shares, subscription and allocation rights being negotiable or transferrable.
In the absence of any agreement between the parties, the respective rights of the beneficial owner and the bare owner shall be exercised in accordance with the legal and regulatory provisions.	In the absence of any agreement between the parties, the respective rights of the beneficial owner and the bare owner shall be exercised in accordance with the legal and regulatory provisions.

ARTICLE 12 – FORM OF SHARES

The purpose of amending Article 12 of the bylaws is to state the so-called TPI procedure (French acronym for Identifiable Bearer Shares) for identifying the owners of bearer shares as defined by Article L. 228-2 of the French Commercial Code. It is therefore stated that:

- the request for identification of owners of bearer shares shall henceforth be made to the central custodian;
- and certain additional information may be requested, such as address, including email address, and year of birth or founding.

FORMER VERSION	PROPOSED VERSION
The shares may take bearer or registered form, at the shareholder's choice.	The shares may take bearer or registered form, at the shareholder's choice.
Regardless of their form, all of these shares will need to be registered in accounts held, depending on the situation, either by the issuing company in the case of registered shares, or by an authorised financial intermediary in the case of bearer shares.	Regardless of their form, all of these shares will need to be registered in accounts held, depending on the situation, either by the issuing company in the case of registered shares, or by an authorised financial intermediary in the case of bearer shares.
In order to identify the holders of securities, the company may, at any time and under the conditions established by law, ask the ~~body responsible for the clearing and settlement of securities~~ to provide the name, or in the case of a legal entity, the corporate name, the nationality and the address of the holders of securities granting the right, immediately or in the future, to vote at shareholder meetings and the quantity of securities held by each of them and, where applicable, details of any restrictions that may apply to said securities.	In order to identify the holders of securities, the company may, at any time and under the conditions established by law, ask **the central custodian** to provide the name, or in the case of a legal entity, the corporate name, the nationality, **the year of birth or of founding**, the address **and the electronic address if any** of the holders of securities granting the right, immediately or in the future, to vote at shareholder meetings and the quantity of securities held by each of them and, where applicable, details of any restrictions that may apply to said securities.

ARTICLE 19 – BOARD CHAIR AND SECRETARIAT

The purpose of amending Article 19 of the bylaws is to move certain clauses concerning the Chairman of the Board of Directors that now appear in Article 22, which deals with senior management, to Article 19 for the sake of clarity.

FORMER VERSION	PROPOSED VERSION
From among its members the Board shall elect a chair, who must be a natural person, for a term which may not exceed his or her term as director. The Board of Directors may terminate his or her appointment at any time. Regardless of the term for which they were conferred, the Chair's duties shall end automatically upon completion of the general shareholders meeting held to approve the accounts for the year in which the Chair reaches the age of 65. If it is deemed appropriate, the Board may appoint one or more Deputy Chairs whose role shall consist exclusively of chairing board meetings or shareholders' meetings in the Chair's absence. In the absence of both the Chair and any Deputy Chairs, the Board shall appoint one of the directors present to chair its meeting. At each meeting the Board may appoint a secretary who is not required to be a shareholder.	From among its members the Board shall elect a chair, who must be a natural person, for a term which may not exceed his or her term as director. The Board of Directors may terminate his or her appointment at any time. Regardless of the term for which they were conferred, the Chair's duties shall end automatically upon completion of the general shareholders meeting held to approve the accounts for the year in which the Chair reaches the age of 65. **The Chair of the Board of Directors shall represent the Board. He or she shall organise and direct the latter's work, reporting thereon to the shareholders' meeting, and shall ensure that the company's corporate bodies all run smoothly, ensuring in particular that the directors are able to fulfil their roles.** If it is deemed appropriate, the Board may appoint one or more Deputy Chairs whose role shall consist exclusively of chairing board meetings or shareholders' meetings in the Chair's absence. In the absence of both the Chair and any Deputy Chairs, the Board shall appoint one of the directors present to chair its meeting. At each meeting the Board may appoint a secretary who is not required to be a shareholder.

ARTICLE 20 – DELIBERATIONS OF THE BOARD – MINUTES

The purpose of amending Article 20 of the bylaws is to tailor the way meetings of the Board of Directors are organised to the way the Board operates.

You should bear in mind that the schedule and the place of Board Meetings are established at least one year in advance and that the directors receive a notice of meeting beforehand that specifies, among other things, the place of the meeting.

FORMER VERSION	PROPOSED VERSION
The Board of Directors shall meet as often as required by the company's interests. It shall be convened by the Chair. Where the Board has not met for more than two months however, directors representing at least one third of the Board of Directors may convene a meeting, specifying the agenda. The agenda shall be set by the Chair and may only be finalized at the time of the meeting. The meetings must take place at the registered office. They may take place at any other place or venue specified in the meeting notice ~~with the consent of at least half of the directors in office however.~~	The Board of Directors shall meet as often as required by the company's interests. It shall be convened by the Chair. Where the Board has not met for more than two months however, directors representing at least one third of the Board of Directors may convene a meeting, specifying the agenda. The agenda shall be set by the Chair and may only be finalized at the time of the meeting. The meetings must take place at the registered office. **Meetings take place either at the registered office or at another place specified in the notice of meeting.**
The actual presence of at least half the members of the Board is required for any decisions to be valid. Persons present at the meeting for the purposes of calculating the quorum and the majority shall include directors attending the meeting via videoconferencing facilities or other means of telecommunication enabling them to be identified and ensuring their actual participation under the terms and conditions provided for by current law and legislation.	The actual presence of at least half the members of the Board is required for any decisions to be valid. Persons present at the meeting for the purposes of calculating the quorum and the majority shall include directors attending the meeting via videoconferencing facilities or other means of telecommunication enabling them to be identified and ensuring their actual participation under the terms and conditions provided for by current law and legislation.
Decisions shall be made by a majority vote of members present or represented, each director present or represented having one vote and each director present having only one power of attorney. In the case of a split vote, the Chair of the meeting shall have the casting vote. If the Board is made up of less than five members and only two directors attend the meeting, decisions must be taken unanimously.	Decisions shall be made by a majority vote of members present or represented, each director present or represented having one vote and each director present having only one power of attorney. In the case of a split vote, the Chair of the meeting shall have the casting vote. If the Board is made up of less than five members and only two directors attend the meeting, decisions must be taken unanimously.
The deliberations of the Board of Directors shall be recorded in minutes drafted and signed in a special register or on loose sheets of paper under the conditions laid down by the legal provisions in force.	The deliberations of the Board of Directors shall be recorded in minutes drafted and signed in a special register or on loose sheets of paper under the conditions laid down by the legal provisions in force.

ARTICLE 22 – GENERAL MANAGEMENT – DELEGATION OF POWERS

Amending Article 22 of the bylaws is made necessary by moving to Article 19 the clauses concerning the Chairman of the Board of Directors.

In addition, it is proposed that the phrase "under his or her responsibility" be stricken in order avoid any ambiguity with respect to the respective responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer, should those two positions be separated.

FORMER VERSION

~~The Chair of the Board of Directors shall represent the Board. He or she shall organise and direct the latter's work, reporting thereon to the shareholders' meeting, and shall ensure that the company's corporate bodies all run smoothly, ensuring in particular that the directors are able to fulfil their roles.~~ General management of the company shall be handled, ~~under his or her responsibility~~, either by the Chair of the Board of Directors or by another individual appointed by the Board and bearing the title of Chief Executive Officer.

The choice between these two methods for general management shall be made by the Board of Directors which must inform shareholders and third parties under the conditions provided for by law. Decisions of the Board of Directors concerning the choice of procedures for exercising the general management shall be made by the majority of directors present or represented. The Board of Directors shall set the term intended for the chosen option. Upon expiry of this period, the Board of Directors must once again decide how the general management is to be exercised.

The Chief Executive Officer shall handle, under his or her own responsibility, the general management of the company within the scope of the corporate purpose and subject to any powers expressly attributed to the shareholders' meetings and the Board of Directors by law. The company shall be bound even by his or her acts not within the company's purpose unless the company can prove that the third party knew that the act went beyond this purpose or could have been unaware thereof given the circumstances. He or she shall represent the company in its dealings with third parties who shall not be bound by any decisions limiting his or her powers. He or she may be authorised by the Board of Directors to grant sureties, endorsements and guarantees given by the company under the conditions and within the limits set by current regulations.

Upon proposal by the Chief Executive Officer, the Board of Directors may appoint a Chief Operating Officer, an individual, to assist the Chief Executive Officer. Five Chief Operating Officer may be appointed. The functions of the Chief Operating Officer shall end automatically upon completion of the general shareholders' meeting held to approve the accounts for the year in which the Chief Operating Officer reaches the age of 65.

The Chief Operating Officer(s) may be chosen from among the members of the Board or outside the Board. They may be dismissed at any time by the Board upon proposal by the Chief Executive Officer. In the event of the death, resignation or dismissal of the latter, unless otherwise decided by the Board, they shall retain their position and powers until such time as the new Chief Executive Officer is appointed. Where a Chief Operating Officer is also a director, the term of his or her office may not exceed his or her term as director. In agreement with the Chief Executive Officer, the Board of Directors shall determine the extent and duration of the powers granted to the Chief Operating Officer.

In their dealings with third parties, the Chief Operating Officer shall have the same powers as the Chief Executive Officer. The Board shall set the amount and terms of the Chief Executive Officer's remuneration and that of the Chief Operating Officer(s).

PROPOSED VERSION

General management of the company shall be handled, either by the Chair of the **Board of Directors** or by another individual appointed by the Board and bearing the title of Chief Executive Officer.

The choice between these two methods for general management shall be made by the Board of Directors which must inform shareholders and third parties under the conditions provided for by law. Decisions of the Board of Directors concerning the choice of procedures for exercising the general management shall be made by the majority of directors present or represented. The Board of Directors shall set the term intended for the chosen option. Upon expiry of this period, the Board of Directors must once again decide how the general management is to be exercised.

The Chief Executive Officer shall handle, under his or her own responsibility, the general management of the company within the scope of the corporate purpose and subject to any powers expressly attributed to the shareholders' meetings and the Board of Directors by law. The company shall be bound even by his or her acts not within the company's purpose unless the company can prove that the third party knew that the act went beyond this purpose or could have been unaware thereof given the circumstances. He or she shall represent the company in its dealings with third parties who shall not be bound by any decisions limiting his or her powers. He or she may be authorised by the Board of Directors to grant sureties, endorsements and guarantees given by the company under the conditions and within the limits set by current regulations.

Upon proposal by the Chief Executive Officer, the Board of Directors may appoint a Chief Operating Officer, an individual, to assist the Chief Executive Officer. Five Chief Operating Officer may be appointed. The functions of the Chief Operating Officer shall end automatically upon completion of the general shareholders' meeting held to approve the accounts for the year in which the Chief Operating Officer reaches the age of 65.

The Chief Operating Officer(s) may be chosen from among the members of the Board or outside the Board. They may be dismissed at any time by the Board upon proposal by the Chief Executive Officer. In the event of the death, resignation or dismissal of the latter, unless otherwise decided by the Board, they shall retain their position and powers until such time as the new Chief Executive Officer is appointed. Where a Chief Operating Officer is also a director, the term of his or her office may not exceed his or her term as director. In agreement with the Chief Executive Officer, the Board of Directors shall determine the extent and duration of the powers granted to the Chief Operating Officer.

In their dealings with third parties, the Chief Operating Officer shall have the same powers as the Chief Executive Officer. The Board shall set the amount and terms of the Chief Executive Officer's remuneration and that of the Chief Operating Officer(s).

ARTICLE 25 – AGREEMENTS BETWEEN THE COMPANY AND ITS MANAGEMENT AND SHAREHOLDERS

The purpose of amending Article 25 of the bylaws is to update the provisions concerning related-party agreements in compliance with the law of 17 May 2011 and the Ordinance of 31 July 2014.

This amendment, has for the sake of simplification, removed the obligation to prepare and send to the shareholders the list of current agreements made on normal business terms. It is therefore necessary to delete mention of the duty devolving on the Chairman to send the list and the topics of these agreements to the Board, the Statutory auditors, and, as prescribed by law, to any shareholder.

FORMER VERSION	PROPOSED VERSION
Any agreement entered into, directly or indirectly, between the company and one of its directors, its Chief Executive Officer, its Chief Operating Officer, one of its shareholders holding a portion of the voting rights that is greater than that required by law or, if it is a corporate shareholder, that company that controls it within the meaning of Article L. 233-3 of the Commercial Code, must be subject to the authorisation, verification and approval procedure provided for by law. The above provisions shall not apply to agreements relating to current operations and made on normal terms. Such agreements shall be communicated to the Chair of the Board of Directors by the party concerned. ~~The list and purposes of such conventions are reported by the Chair to the directors and the auditors and, as provided for by law, to all shareholders.~~ It shall be prohibited, under penalty of nullity of the contract, for directors other than legal entities, to contract, in any form whatsoever, loans from the company, obtain an overdraft on a current account or otherwise from the company or to make the company endorse or guarantee their commitments towards third parties. The same prohibition shall apply to the Chief Executive Officer, the Chief Operating Officer and the permanent representatives of legal entities that serve as directors. It shall also apply to spouses, ascendants and descendants of the persons referred to in this paragraph and to any intermediary.	Any agreement entered into, directly or indirectly, between the company and one of its directors, its Chief Executive Officer, its Chief Operating Officer, one of its shareholders holding a portion of the voting rights that is greater than that required by law or, if it is a corporate shareholder, that company that controls it within the meaning of Article L. 233-3 of the Commercial Code, must be subject to the authorisation, verification and approval procedure provided for by law. The above provisions shall not apply to agreements relating to current operations and made on normal terms. Such agreements shall be communicated to the Chair of the Board of Directors by the party concerned. It shall be prohibited, under penalty of nullity of the contract, for directors other than legal entities, to contract, in any form whatsoever, loans from the company, obtain an overdraft on a current account or otherwise from the company or to make the company endorse or guarantee their commitments towards third parties. The same prohibition shall apply to the Chief Executive Officer, the Chief Operating Officer and the permanent representatives of legal entities that serve as directors. It shall also apply to spouses, ascendants and descendants of the persons referred to in this paragraph and to any intermediary.

ARTICLE 27 – COURT-ORDERED ASSESSMENT

The purpose of amending Article 27 of the bylaws is to open management evaluations as provided by law to the associations mentioned in Article L. 225-120 of the French Commercial Code who might request one.

FORMER VERSION	PROPOSED VERSION
One or more shareholders representing at least 5% of the share capital may petition the court, either individually or jointly, to appoint an expert to submit a report on one or more management operations providing they have first questioned the Chair of the Board of Directors in writing and providing the latter has not provided a response within a period of one month or has not provided a satisfactory response.	One or more shareholders representing at least 5% of the share capital, **or who are joined in a lawfully established association**, may petition the court, either individually or jointly, to appoint an expert to submit a report on one or more management operations providing they have first questioned the Chair of the Board of Directors in writing and providing the latter has not provided a response within a period of one month or has not provided a satisfactory response.

ARTICLE 30 – MEETING NOTICE TYPES AND DEADLINES

The purpose of amending Article 30 of the bylaws is to clarify a number of points concerning the convening of General Meetings in the light of legal requirements, to wit:

- the obligation to publish the Notice of Meeting on the company's website 21 days before the general meeting;
- only registered shareholders may be notified of the meeting by electronic means;
- the deadline for calling the second convening of a General Meeting is raised from six to ten days.

FORMER VERSION	PROPOSED VERSION
Meetings shall be convened by means of an announcement placed in a journal authorised to publish legal announcements within the registered office region and also in the French official bulletin of legal notices, the Bulletin des Annonces Légales Obligatoires (BALO). Parties having held shares for at least one month prior to the date the meeting notice announcement is placed shall be invited to the meeting by ordinary letter or, on request and at their own expense, by registered letter. Co-owners of full shares registered in this respect within the timeframe set out in the previous paragraph shall have the same rights. In the event that voting rights are stripped from share ownership, then these rights shall belong to the owner of the voting right. Where a meeting has not been able to deliberate validly due to a lack of the required quorum, the second meeting shall be convened under the same formalities as the first and the meeting notice shall reiterate the date of the latter. The same shall apply when convening a meeting extended in accordance with the law. The period between the date the last notice of the meeting is placed and the date of the meeting itself shall be fifteen days for the first notice and ~~six days~~ for the subsequent notice.	Meetings shall be convened by means of an announcement placed in a journal authorised to publish legal announcements within the registered office region and also in the French official bulletin of legal notices, the Bulletin des Annonces Légales Obligatoires (BALO). **The notice of meeting published in the BALO shall also be published on the company's website for an uninterrupted period starting no later than the twenty-first day preceding the general meeting.** Parties having held registered shares for at least one month prior to the date the meeting notice announcement is placed shall be invited to the meeting by ordinary letter or, on request and at their own expense, by registered letter. **Registered shareholders may be notified of the meeting by electronic means in the manner prescribed by law and regulations.** Co-owners of full shares registered in this respect within the timeframe set out in the previous paragraph shall have the same rights. In the event that voting rights are stripped from share ownership, then these rights shall belong to the owner of the voting right. Where a meeting has not been able to deliberate validly due to a lack of the required quorum, the second meeting shall be convened under the same formalities as the first and the meeting notice shall reiterate the date of the latter. The same shall apply when convening a meeting extended in accordance with the law. The period between the date the last notice of the meeting is placed and the date of the meeting itself shall be fifteen days for the first notice and **ten days** for the subsequent notice.

ARTICLE 31 – MEETING AGENDAS

The purpose of amending Article 31 of the bylaws is to include the provisions of the Ordinance of 9 December 2010 under which the shareholders representing a certain minimum percentage of the share capital may submit agenda items besides proposed resolutions.

In order to exercise this right, it is further stated that agenda items or proposed resolutions can be sent by registered letter with return receipt requested or by electronic communication as prescribed by regulation.

FORMER VERSION	PROPOSED VERSION
The agenda for the meeting shall be set by the party issuing the meeting notice or by the court order appointing the agent responsible for convening the meeting. One or more shareholders representing the percentage of share capital stipulated by the legal and regulatory provisions may request the inclusion of draft resolutions in the agenda for the meeting. The meeting may then not deliberate on an issue that goes not appear on the agenda which may not be amended upon the second notice of the meeting. It may however dismiss and replace one or more directors, under any circumstances.	The agenda for the meeting shall be set by the party issuing the meeting notice or by the court order appointing the agent responsible for convening the meeting. One or more shareholders representing the percentage of share capital stipulated by the legal and regulatory provisions may request the inclusion of **items** and draft resolutions in the agenda for the meeting **by registered letter with return receipt requested or by electronic communication.** The meeting may then not deliberate on an issue that goes not appear on the agenda which may not be amended upon the second notice of the meeting. It may however dismiss and replace one or more directors, under any circumstances.

ARTICLE 32 – ADMITTANCE TO MEETINGS

The purpose of amending Article 32 of the bylaws is to include the provisions of Decree 2014-1466 of 8 December 2014 amending Article R.225-85 of the French Commercial Code. The principal consequence of this is that henceforth the deadline for settling transactions shall be the second business day preceding the meeting.

FORMER VERSION	PROPOSED VERSION
Each shareholder shall have 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 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. The Board of Directors may reduce this period by way of a general decision for the benefit of all shareholders. In the event that voting rights are stripped from share ownership, only the holder of the voting right may attend or be represented at the meeting. Co-owners of joint shares shall be represented at the general meeting by one of them or by a single agent appointed, in the event of disagreement, by order of the President of the Commercial Court ruling in summary proceedings upon request by the first co-owner to refer to the matter. Any shareholder with shares in a particular class may attend special meetings for shareholders within that class under the terms and conditions set out above.	Each shareholder shall have 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 name of the intermediary registered on the shareholder's behalf, at zero hour, French time, on the **second** 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. The Board of Directors may reduce this period by way of a general decision for the benefit of all shareholders. In the event that voting rights are stripped from share ownership, only the holder of the voting right may attend or be represented at the meeting. Co-owners of joint shares shall be represented at the general meeting by one of them or by a single agent appointed, in the event of disagreement, by order of the President of the Commercial Court ruling in summary proceedings upon request by the first co-owner to refer to the matter. Any shareholder with shares in a particular class may attend special meetings for shareholders within that class under the terms and conditions set out above.

ARTICLE 33 – SHAREHOLDERS' REPRESENTATION – CORRESPONDENCE VOTING

The purpose of amending Article 33 of the bylaws is to update the provisions concerning the representation of shareholders with the Ordinance of 9 December 2010. As a consequence, a shareholder may be represented by:

- a partner within a civil union (PACS);
- or the individual or legal entity of his or her choice.

It is further stipulated that the proxy order and its revocation must be written.

FORMER VERSION	PROPOSED VERSION
Any shareholder may arrange to be represented by another shareholder or by their spouse. The proxy shall be granted for a single meeting. It may be granted for two meetings, one ordinary and the other extraordinary, if they are held on the same day or within a period of seven days. It shall apply to successive meetings convened with the same agenda. The company shall be obliged to enclose the information stipulated in the regulatory provisions with any proxy form sent out to shareholders either directly or through any agent appointed by it for this purpose. The proxy form must inform the shareholder that if the form is used without naming a representative, the Chair of the meeting shall issue a vote in favour of adopting the draft resolutions proposed or approved by the Board of Directors and a vote against the adoption of all other draft resolutions on his or her behalf. To issue any other vote the shareholder must choose a representative who may not in turn be represented by another party. With effect from the date the meeting notice is issued to the fifth day prior to the meeting inclusive, any shareholder meeting the eligibility criteria to attend the meeting may ask the company to send him or her a proxy form to a specified address. The company shall be obliged to send this form before the meeting and at its own expense. Any shareholder may vote by correspondence using a form complying with the legal requirements. Such forms shall be disregarded unless received by the company prior to the meeting and within the timeframe stipulated by current legal provisions. Forms that provide no voting indications or express an abstention shall be regarded as votes against. If the Board of Directors so decides at the time the meeting is called, any shareholder may submit a proxy form and correspondence voting form by any means of remote transmission under the terms and conditions and in accordance with the formalities stipulated by law.	Any shareholder may arrange to be represented by another shareholder or by their spouse, **his or her partner in a civil union or by any individual or legal entity of his or her choice, in the manner prescribed by law and regulation.** The proxy shall be granted for a single meeting. It may be granted for two meetings, one ordinary and the other extraordinary, if they are held on the same day or within a period of seven days. It shall apply to successive meetings convened with the same agenda. **The proxy as well as its revocation, if any, shall be in writing and transmitted to the company.** The company shall be obliged to enclose the information stipulated in the regulatory provisions with any proxy form sent out to shareholders either directly or through any agent appointed by it for this purpose. The proxy form must inform the shareholder that if the form is used without naming a representative, the Chair of the meeting shall issue a vote in favour of adopting the draft resolutions proposed or approved by the Board of Directors and a vote against the adoption of all other draft resolutions on his or her behalf. To issue any other vote the shareholder must choose a representative who may not in turn be represented by another party. With effect from the date the meeting notice is issued to the fifth day prior to the meeting inclusive, any shareholder meeting the eligibility criteria to attend the meeting may ask the company to send him or her a proxy form to a specified address. The company shall be obliged to send this form before the meeting and at its own expense. Any shareholder may vote by correspondence using a form complying with the legal requirements. Such forms shall be disregarded unless received by the company prior to the meeting and within the timeframe stipulated by current legal provisions. Forms that provide no voting indications or express an abstention shall be regarded as votes against. If the Board of Directors so decides at the time the meeting is called, any shareholder may submit a proxy form and correspondence voting form by any means of remote transmission under the terms and conditions and in accordance with the formalities stipulated by law.

ARTICLE 35 – VOTING

The purpose of amending Article 35 of the bylaws is to take account of the law of 29 March 2014 known as the Florange Act, intended to "give new perspectives to the real economy." In particular, the clause reserving double voting rights provided in the bylaws to shareholders who are French nationals or from a member State of the EEC is discriminatory. This clause should therefore be stricken.

FORMER VERSION	PROPOSED VERSION
The voting right attached to capital shares or dividend shares is proportionate to the capital quota they represent and each share grants the right to at least one vote. However, a double voting right is granted, in view of the percentage of share capital they represent, to any fully paid-up shares that have been registered in the name of the same shareholder for at least five years. In the event of a capital increase by incorporation of reserves, profit or issue premiums, double voting rights are granted, as from their issuance, to registered shares allocated free of charge to a shareholder as a result of the shares already held which benefits from said right. ~~The present double voting rights are reserved to shareholders of French nationality and shareholders resident in a Member State of the European Economic Community.~~ Double voting rights awarded pursuant to the preceding will terminate automatically for any shares converted to bearer form or that change ownership. A transfer resulting from inheritance, liquidation of a community of assets between spouses or an inter vivos gift to a spouse or heritable relative shall not lose this entitlement and does not disrupt the five-year period mentioned above. In any constituent Extraordinary General Meetings, each shareholder, whether present or represented, shall have only the maximum vote set by law. Votes shall be cast by raising hands or answering to a roll call. Secret ballots, whose manner of being cast will be set by the meeting, shall be taken only on the request of the members who themselves or as proxies represent the majority required to adopt the resolution in question. The voting rights attached to a share shall belong to the beneficial interest owner for Ordinary General Meetings and to the bare owner for Extraordinary General Meetings or constituent meetings. Voting rights are exercised by the owner of the pledged shares. The company may not validly vote in respect of shares that it has purchased. In addition, are deprived of voting rights: shares that have not been fully paid to the extent that payment is due, shares of the contributor in kind or beneficiary of special benefits at the time when such contributions and benefits are approved, the shares of any eventual subscribers in the meetings called to rule on the elimination of pre-emptive subscription rights, and shares the subject to the proceedings laid out in Article 27.	The voting right attached to capital shares or dividend shares is proportionate to the capital quota they represent and each share grants the right to at least one vote. However, a double voting right is granted, in view of the percentage of share capital they represent, to any fully paid-up shares that have been registered in the name of the same shareholder for at least five years. In the event of a capital increase by incorporation of reserves, profit or issue premiums, double voting rights are granted, as from their issuance, to registered shares allocated free of charge to a shareholder as a result of the shares already held which benefits from said right. Double voting rights awarded pursuant to the preceding will terminate automatically for any shares converted to bearer form or that change ownership. A transfer resulting from inheritance, liquidation of a community of assets between spouses or an inter vivos gift to a spouse or heritable relative shall not lose this entitlement and does not disrupt the five-year period mentioned above. In any constituent Extraordinary General Meetings, each shareholder, whether present or represented, shall have only the maximum vote set by law. Votes shall be cast by raising hands or answering to a roll call. Secret ballots, whose manner of being cast will be set by the meeting, shall be taken only on the request of the members who themselves or as proxies represent the majority required to adopt the resolution in question. The voting rights attached to a share shall belong to the beneficial interest owner for Ordinary General Meetings and to the bare owner for Extraordinary General Meetings or constituent meetings. Voting rights are exercised by the owner of the pledged shares. The company may not validly vote in respect of shares that it has purchased. In addition, are deprived of voting rights: shares that have not been fully paid to the extent that payment is due, shares of the contributor in kind or beneficiary of special benefits at the time when such contributions and benefits are approved, the shares of any eventual subscribers in the meetings called to rule on the elimination of pre-emptive subscription rights, and shares the subject to the proceedings laid out in Article 27.

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, 2014

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

Pursuant to Article R. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments which have received prior authorization from your board of directors.

With Mr Bertrand Neuschwander

Bertrand Neuschwander was appointed Deputy CEO by the Board of Directors as from April 22, 2014. His employment contract with Groupe Seb has been suspended for the duration of this mandate.

1. *Nature:* Termination benefits in the event of the revocation of the mandate.

   Terms and conditions: in the event the mandate is withdrawn, Mr Bertrand Neuschwander shall receive a severance payment equivalent to two years' compensation (fixed and variable) less any amounts due in respect of a non-competition clause and any termination benefits relating to his employment contract (it being said that this contract does not provide for any departure or non-compete compensation).

   Payment of this indemnity is subject to the performance criteria described in the agreement below.

2. *Nature:* Determination of the performance criteria governing the payment of termination benefits to the Deputy CEO in the event of the revocation of his mandate.

   Terms and conditions: The termination benefit, equivalent to two years' earned compensation is adjusted for the percentage of objectives achieved over the four previous year-ends:

   - if the average percentage 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 the calculation.

   If the revocation arises during the first four years of the appointment as Deputy CEO, the objectives to be taken into consideration are, for the duration of his appointment to date, those determined for this mandate and, for the remaining time, those determined in connection with the salaried activities performed prior to the appointment.

3. *Nature:* non-compete compensation in the event of revocation or dismissal.

   Terms and conditions: In the event of the interruption of his mandate, by revocation or dismissal, Mr Bertrand Neuschwander, Deputy CEO, agrees to refrain from any form of professional activity for a Groupe Seb competitor engaged in the development, manufacture or commercialization of products which have, are or shall be developed, manufactured or commercialized by Groupe Seb in the future. In return for the fulfillment of this obligation, and for the period for which it is applicable (one year renewable once), Mr Neuschwander will receive a monthly amount of non-compete compensation from the company equivalent to 50 % of the average monthly salary (fix and variable) paid to him over the last twelve months of his presence within the group.

   The Board of Directors can release Mr Neuschwander from this obligation by waivering the non-competition clause.

4. *Nature:* Individual life insurance plan for Mr Bertrand Neuschwander, Deputy CEO of Groupe Seb.

   Terms and conditions: In addition to the Group death, disability and related benefit insurance plan, Mr Bertrand Neuschwander is the beneficiary of an individual death-in-service policy with a capital totalling € 942 581. The expense recorded for the year ended December 31, 2014 totals € 2 571.

5. *Nature:* Supplementary and top-up retirement plan.

   Terms and conditions: As a corporate officer Mr Bertrand Neuschwander will continue to be entitled to the Group supplementary pension scheme on the basis of the seniority acquired prior to his nomination as Deputy CEO and in accordance with the same rules as those applicable for senior management and the provisions of the Group death, disability and related benefit insurance plan.

   This plan guarantees 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 the 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 be 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.

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 Offi cer of your company and member of the Board of Directors of Zhejiang Supor Co Ltd.

In 2014, the cooperation agreement resulted only in the sharing of employees and resources,as in 2013, for five projects concerning developments on electrical cooking and food and drink preparation appliances, for three projects concerning innovation on culinary appliances.

With Mr Thierry de La Tour d'Artaise

1. *Nature:* Termination benefi ts 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 benefi ts 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 offi ce. 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 offi ce as corporate offi cer should he resign at his own initiative.

2. *Nature:* Determination of the performance criteria governing the payment of termination benefi ts to the Chairman, as stipulated in his employment contract.

   Terms and conditions: The Chairman's termination benefi ts, 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 benefi ts 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 benefi ts falling below the fi xed 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 benefi ciary of an individual life insurance policy with a capital totalling €3,652,134. The expense recorded for the year ended 31 December 2014 totals €52, 802.

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 benefi ts of statutory retirement plans. The reference salary, which is used as the basis for calculating the retirement benefi ts, 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 offi cer shall only receive the guaranteed rate upon leaving the Group to claim his retirement benefits. However, he shall be entitled to benefi ts in the event his employment contract be 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.

Lyon and Villeurbanne, 11 March 2015

The Statutory auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Nicolas BRUNETAUD	Gérard BADIN

8.3. PROPOSED RESOLUTIONS

Proposed resolutions submitted to the Combined General Meeting of 12 May 2015

This Chapter presents the complete text of the resolutions that will be submitted to the Combined General Meeting of SEB S.A. to be held in Paris on 12 May 2015.

Ordinary resolutions:

- reports of the Board of Directors and the Statutory auditors;
- approval of the financial statements for the year 2014 and appropriation of profit;
- approval of the agreement made between the company and Bertrand Neuschwander, Chief Operating Officer, under Article L. 225-38 of the French Commercial Code;
- reappointment of Hubert Fèvre and Cédric Lescure to the Board for a four-year term and appointment of William Gairard to the Board for a four-year term;
- reappointment for six years of the Principal Statutory auditors and appointment of Alternate auditors – appointment for six years of new Statutory auditors and appointment of Alternate auditors;
- opinion on the items of remuneration due or awarded for the 2014 financial year to Thierry de la Tour d'Artaise, Chief Executive Officer, and Bertrand Neuschwander, Chief Operating Officer;
- authorisation to be given to the Board of Directors enabling the company to buy back its own shares.

Extraordinary resolutions:

- authorisation to be given to the Board of Directors enabling the company to cancel its own shares;
- authorisation to be given to the Board of Directors to award bonus shares based on performance;
- authorisation to be given to the Board of Directors to issues shares and share equivalents with or without pre-emptive subscription rights;
- authorisation to be given to the Board of Directors to increase capital by capitalising retained earnings, profit or additional paid-in capital;
- blanket ceiling on financial authorisations;
- authorisation to be given to the Board of Directors to undertake capital increases reserved for the members of a company or Group savings plan without pre-emptive subscription rights for shareholders;
- amendments to the by-laws;
- powers to carry out formalities.

Ordinary resolutions

APPROVAL OF THE 2014 PARENT COMPANY FINANCIAL STATEMENTS

Purpose

The purpose of the first resolution is to submit for your approval the annual parent company financial statements, which show net profit of €82,712,219.07.

FIRST RESOLUTION: APPROVAL OF PARENT COMPANY FINANCIAL STATEMENTS

The General Meeting, having considered the reports of the Board of Directors, the Chairman and the Statutory auditors on the company's operations and results for the year ended 31 December 2014, approves the annual financial statements as presented, which show net profit of €82,712,219.07.

APPROPRIATION OF PROFIT

Purpose

The purpose of the second resolution is to submit for your approval the appropriation of earnings and the amount of the dividend to be paid on Financial Year 2014, as proposed by the Board of Directors.

SECOND RESOLUTION: APPROPRIATION OF PROFIT

The General Meeting resolves to appropriate net profit for the year as follows:

Net profit	82,712,219.07
Retained earnings brought forward from prior year	684,238,166.41
Dividends on treasury shares credited to retained earnings	1,838,304.00
Profit available for distribution	768,788,689.48
Ordinary dividend	72,243,430.56
Dividend supplement	3,868,185.02
Retained earnings	692,677,073.90

The dividend per share amounts to €1.44.

The ex-dividend date will be 15 May 2015 and the dividend will be paid as from 19 May 2015.

As provided for in Article 46 of the bylaws, a supplementary dividend of €0.144 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 2012 and the ex-dividend date 15 May 2015.

However, no single shareholder will be entitled to the supplementary dividend on any shares in excess of 0.5% of the company's capital.

The dividend distributed qualifies for the 40% exemption for natural persons who are tax residents of France, per Article 158.3-2 of the French General Tax Code.

The General Meeting formally declares that dividends distributed for the last three years were as follows:

Financial year	Dividend per share	Premium per share	Dividend qualifying for 40% abatement		Dividend not qualifying for 40% abatement
			Dividend	Premium	
2011	1.25	0.125	1.25	0.125	-
2012	1.32	0.132	1.32	0.132	-
2013	1.39	0.139	1.39	0.139	-

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

Purpose

The purpose of the third resolution is to submit for your approval the consolidated financial statements for financial year 2014, which show net profit attributable to owners of the parent of €169,950,000.

THIRD RESOLUTION: APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The General Meeting, having considered the reports of the Board of Directors and the Statutory auditors, approves the Consolidated Financial Statements for the year ended 31 December 2014, which show net profit attributable to owners of the parent of €169,950,000.

AGREEMENT GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE AND MADE BETWEEN THE COMPANY AND BERTRAND NEUSCHWANDER, CHIEF OPERATING OFFICER

Purpose

The purpose of the fourth resolution, in accordance with Article L. 225-38 of the French Commercial Code, is to submit for your approval the agreement made between the company and Bertrand Neuschwander, Chief Operating Officer, concerning his retirement, death, disability and related benefits as well as the terms of his severance, as approved by the Board of Directors on 22 April 2014.

FOURTH RESOLUTION: AGREEMENT GOVERNED BY ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

The General Meeting, after a reading of the Statutory auditors' special report on related-party agreements, as well as the report by the Board of Directors, approves the agreement made between the company and its Chief Operating Officer establishing in particular his retirement, death, disability and related benefits as well as the performance criteria affecting his severance payment and the conditions for payment of a non-compete indemnity.

RE-ELECTION AND APPOINTMENT OF THREE MEMBERS OF THE BOARD OF DIRECTORS

Purpose

The purposes of the fifth, sixth and seventh resolutions are to submit for your approval an extension for four years of the Board memberships of Hubert Fèvre and Cédric Lescure as well as the appointment for four years of William Gairard to replace Jacques Gairard.

FIFTH RESOLUTION: RENEWAL OF THE BOARD MEMBERSHIP OF HUBERT FÈVRE

The General Meeting re-elects Hubert Fèvre as director for a period of four years expiring at the close of the General Meeting to be called to approve the 2018 financial statements.

SIXTH RESOLUTION: RENEWAL OF THE BOARD MEMBERSHIP OF CÉDRIC LESCURE

The General Meeting re-elects Cédric Lescure as director for a period of four years expiring at the close of the General Meeting to be called to approve the 2018 financial statements.

SEVENTH RESOLUTION: APPOINTMENT OF WILLIAM GAIRARD AS DIRECTOR

The General Meeting appoints William Gairard as director for a term of four years expiring at the close of the General Meeting to be called to approve the 2018 financial statements.

RE-APPOINTMENT OF THE STATUTORY AUDITORS

Purpose

Since the Statutory auditors' engagement is coming to completion, the company made calls for tender which were reviewed by the Board of Directors. Accordingly, the Board proposes to you the following resolutions.

The purposes of the eighth and ninth resolutions are to submit for your approval the extension for six years of the engagements of the principal of the PricewaterhouseCoopers Audit as Joint Principal Statutory auditors, along with the appointment of its substitute.

The purposes of the tenth and eleventh resolutions are to submit for your approval the appointment for six years of Mazars as joint principal Statutory auditors and its and substitute.

EIGHTH RESOLUTION: RENEWAL OF THE ENGAGEMENT OF THE PRINCIPAL STATUTORY AUDITORS

The General Meeting renews for six financial years, that is, to the end of the General Meeting called to approve the financial statements for the financial year 2020, the engagement as joint principal auditors PricewaterhouseCoopers Audit, located at 63, rue de Villiers – 92200 Neuilly-sur-Seine.

NINTH RESOLUTION: APPOINTMENT OF THE SUBSTITUTE STATUTORY AUDITORS

The General Meeting appoints Jean-Christophe Georghiou, whose address is 63, rue de Villiers, 92200 Neuilly-sur-Seine, as substitute auditor to PricewaterhouseCoopers Audit for the duration of the term of the latter and to replace Mr Pierre Coll.

TENTH RESOLUTION: APPOINTMENT OF PRINCIPAL STATUTORY AUDITORS

The General Meeting appoints for six financial years, that is, to the end of the General Meeting called to approve the financial statements for the financial year 2020, the firm of Mazars, located at 61, rue Henri Régnault, Tour Exaltis, 92075 Paris La Défense, as the company's joint principal auditors.

ELEVENTH RESOLUTION: APPOINTMENT OF SUBSTITUTE STATUTORY AUDITORS

The Annual General Shareholders' Meeting appoints Gilles Rainault of 61, rue Henri Régnault 92400 Courbevoie as substitute Statutory auditor to the firm of Mazars for the lenght of the latter's engagement.

OPINION ON THE ITEMS OF REMUNERATION DUE OR AWARDED TO THIERRY DE LA TOUR D'ARTAISE, CHIEF EXECUTIVE OFFICER, AND BERTRAND NEUSCHWANDER, CHIEF OPERATING OFFICER FOR FINANCIAL YEAR 2014

Purpose

The purposes of the twelfth and thirteenth resolutions are to submit for your consultation all the items of remuneration of the Chief Executive Officer and the Chief Operating Officer, in accordance with the recommendations of the AFEP-MEDEF Code.

TWELFTH RESOLUTION: ADVISORY VOTE ON THE ITEMS OF REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

The General Meeting, voting in accordance with the quorum and majority voting rules applicable to Ordinary General Meetings and in accordance with Article 24.3 of the AFEP-MEDEF Code, to which it has reference, takes a positive view of the remuneration items due or allocated to Thierry de La Tour d'Artaise, Chief Executive Officer, in respect of 2014, as set out in the 2014 Registration Document, Chapter 2 "Governance", in the section "Say on pay – Consultation with shareholders on the remuneration of executive officers".

THIRTEENTH RESOLUTION: ADVISORY VOTE ON THE ITEMS OF REMUNERATION OF THE CHIEF OPERATING OFFICER

The General Meeting, voting in accordance with the quorum and majority voting rules applicable to Ordinary General Meetings and in accordance with Article 24.3 of the AFEP-MEDEF Code, to which it has reference, takes a positive view of the remuneration items due or allocated to Bertrand Neuschwander, Chief Operating Officer, in respect of 2014, as set out in the 2014 Registration Document, Chapter 2 "Governance", in the section "Say on pay – Consultation with shareholders on the remuneration of executive officers".

AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS FOR THE COMPANY TO BUY ITS OWN SHARES

Purpose

The purpose of the fourteenth resolution is to submit for your approval the option given the company to buy back its own shares within the limit of 10% of the share capital.

In 2014, under its share buyback programme, the company bought 425,000 of its own shares at an average price of €60.60 and sold 479,867 shares on exercise of stock options at an average price of €39.62, and 53,889 performance shares from the 2012 plan became vested. In addition, a total of 604,510 shares were purchased at an average price of €62.05 and 616,859 shares sold at an average price of €62.08 under the liquidity contract.

At 31 December 2014, the company had 1,291,242 treasury shares, i.e. 2.57% of its share capital, of which 1,273,130 under the buyback agreement and 18,112 under the liquidity agreement.

In accordance with the law, these shares have been stripped of their voting rights.

FOURTEENTH RESOLUTION: AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS FOR THE COMPANY TO BUY IN ITS OWN SHARES

The General Meeting, having considered the Board of Directors' report, resolves:

- to terminate the share buyback programme authorised at the Combined General Meeting of 15 May 2014;
- 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:
    - i) to maintain a liquid market for the company's shares through an independent investment service provider under a liquidity contract that complies with the AMAFI code of ethics recognised by the Autorité des Marchés Financiers;
    - ii) 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 French Commercial Code, or in payment of statutory employee profit-shares or in connection with an employee stock ownership or stock saving plan;
    - iii) 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 general meeting;
    - iv) to purchase shares, representing up to 5% of the capital, for delivery or exchange in connection with any future external growth transactions;
    - v) 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

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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 €501,690,490;
- 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, 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:
  - i) carry out the transactions and set the related terms and conditions;
  - ii) place any and all buy and sell orders, on or off-market;
  - iii) 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;
  - iv) enter into any and all agreements for the keeping of a register of share purchases and sales or for any other purpose;
  - v) fulfil any and all reporting obligations with the Autorité des Marchés Financiers and any other organisations;
  - vi) carry out any and all formalities;
- that this authorisation is given for a period expiring at the ordinary general meeting to be called to approve the financial statements for the year ending 31 December 2015 or fourteen (14) months, whichever is shorter.

Extraordinary resolutions

AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS FOR THE COMPANY TO CANCEL TREASURY SHARES

Purpose

The purpose of the fifteenth resolution is to submit for your approval authorisation of the Board of Directors to cancel shares held in treasury in an amount not exceeding 10% of the capital within any 14-month period.

FIFTEENTH RESOLUTION: AUTHORISATION TO CANCEL SHARES

The extraordinary general meeting, having considered the report of the Board of Directors and the Statutory 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 14-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 formalities, make all declarations to any organisations and generally undertake what is necessary;
- 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 Combined General Meeting of 15 May 2014.

AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS FOR THE GRANTING OF PERFORMANCE SHARES

Purpose

The purpose of the sixteenth resolution is to submit for your approval the option given the company to award performance shares to its employees and corporate officers, under the following conditions:

- *the total number of shares granted may not exceed 171,075 or 0.3410% of the company's share capital;*
- *the number of performance shares awarded to corporate officers may not exceed 18,000 shares, or 0.0359% of the share capital with respect to Thierry de la Tour d'Artaise and 9,000 shares or 0.0179% of the share capital with respect to Bertrand Neuschwander;*
- *the performance shares will vest only if certain performance targets for revenue and operating result from activity are met. 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 of Directors 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 five years.*

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SIXTEENTH RESOLUTION: AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS FOR THE GRANTING OF PERFORMANCE SHARES

- The General Meeting, having considered the report of the Board of Directors and the Statutory 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 existing performance shares in the company on one or more occasions, to employees of the company or certain categories of employee and/or to the top management referred to in Article L. 225-197-1 II of the French Commercial Code, and to employees and top management of companies or economic interest groupings related to the company within the meaning of Article L. 225-197-2 of the French Commercial Code;
  - resolves that the total number of shares that may be granted shall not exceed 171,075 or 0.3410% of the company's share capital in respect of Thierry de La Tour d'Artaise and 9,000 shares or 0.0179% of the share capital for Bertrand Neuschwander;
- The 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 French Commercial Code.

- The 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 and at the end of which, 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, in accordance with Article L. 225-197-3 of the French Commercial Code;
  - 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 two to five years with effect from the date of grant by the Board of Directors during which the rights shall not be transferable and at the end of which, 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, in accordance with Article L. 225-197-3 of the French Commercial Code;
  - 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 French 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 French Social Security Code.

- The 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 French 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 French Commercial Code, the Board of Directors shall report to each ordinary general meeting on the transactions carried out under this authorisation.

The general meeting sets this authorisation given to the Board of Directors at a period of fourteen (14) months and consequently decides that this authorisation cancels all authorisations given previously for the same purpose.

AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES OR SHARE EQUIVALENTS GIVING RIGHTS TO THE COMPANY'S CAPITAL WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

Purpose

The purpose of the seventeenth resolution is to submit for your approval a mechanism allowing the company, depending on its needs and opportunities, to quickly recruit the funds necessary for its development and expansion.

To this end, it is proposed that you delegate to the Board of Directors the authority to decide to increase the share capital with pre-emptive subscription rights, in an amount not to exceed a par value of €5,000,000.

Under the eighteenth 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.

SEVENTEENTH RESOLUTION: AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES OR SHARE EQUIVALENTS GIVING RIGHTS TO THE COMPANY'S CAPITAL WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS

The general meeting, having considered the report of the Board of Directors and the Statutory auditors' special report and in accordance with Articles L. 225-129-2 and L. 228-91 of the French Commercial Code, resolves:

- 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.

EIGHTEENTH RESOLUTION: AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARES OR SHARE EQUIVALENTS GIVING RIGHTS TO THE COMPANY'S CAPITAL WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

The general meeting, having considered the report of the Board of Directors and the Statutory auditors' special report and in accordance with Articles L. 225-129-2, L. 225-136 and L. 228-91 of the French Commercial Code, resolves:

- 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 BE GIVEN TO THE BOARD OF DIRECTORS TO INCREASE CAPITAL BY CAPITALISING RETAINED EARNINGS, PROFIT, PREMIUMS OR ADDITIONAL PAID-IN CAPITAL

Purpose

The purpose of the nineteenth resolution is to submit for your approval giving the Board of Directors the option 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.

NINETEENTH RESOLUTION: AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO INCREASE CAPITAL BY CAPITALISING RETAINED EARNINGS, PROFIT, PREMIUMS 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 thirty (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.

The general meeting sets this authorisation given to the Board of Directors at a period of fourteen (14) months and consequently decides that this authorisation cancels all authorisations given previously for the same purpose.

BLANKET CEILING ON FINANCIAL AUTHORISATIONS

Purpose

The purpose of the twentieth resolution is to submit for your approval setting at €10,000,000 the maximum aggregate par value of shares to be issued pursuant solely to the seventeenth and eighteenth resolutions above.

TWENTIETH RESOLUTION: BLANKET CEILING ON FINANCIAL AUTHORISATIONS

The 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 seventeenth and eighteenth resolutions 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 resolutions will be deducted from this ceiling.

AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO UNDERTAKE CAPITAL INCREASES RESERVED FOR THE MEMBERS OF A COMPANY OR GROUP SAVINGS PLAN, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

Purpose

The twenty first resolution authorises the Board of Directors, or any representative of the Board empowered to act on the Board's behalf, to approve one or more capital increases reserved for members of a company or Group savings plan, without pre-emptive rights for existing shareholders, up to a maximum aggregate par value of €501,690, or 1% of the capital.

The maximum par value set forth under the previous resolution does not apply to this authorisation.

TWENTY-FIRST RESOLUTION: AUTHORISATION TO BE GIVEN TO THE BOARD OF DIRECTORS TO UNDERTAKE CAPITAL INCREASES RESERVED FOR THE MEMBERS OF A COMPANY OR GROUP SAVINGS PLAN, WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS FOR SHAREHOLDERS

The general meeting, having considered the report of the Board of Directors and the Auditors' special report, in accordance with the provisions of law, in particular Articles L. 225-129 to L. 225-129-6 and L. 225-138-1 of the French Commercial Code and L. 3332-1 et seq. of the French Labour Code:

- delegates powers to the Board of Directors, or any representative of the Board empowered to act on the Board's behalf, the authority to approve increases in capital, in one or more instalments and at its sole discretion, in a maximum nominal amount of €501,690, by issuing company shares or share equivalents, reserved for members of a company or Group employee savings plan. These include eligible corporate officers, employees and former employees of the company and its related French or foreign companies, as defined in Article L. 225-138-180 of the French Commercial Code and L. 3344-1 of the French Labour Code;
- resolves therefore that this authorisation will automatically entail the waiver of shareholders' pre-emptive right to subscribe (i) shares and share equivalents to be 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;
- resolves that in application of Articles L. 3332-18 et seq. of the Labour Code – the shares may be offered for subscription at a 20% discount to the average of the prices quoted for the company's shares on NYSE Euronext Paris over the twenty trading days preceding the Board's decision setting the opening date of the subscription period, or a 30% discount if the shares are offered to members of an employee stock ownership plan under which the lock-up period is at least ten years. However, the Annual General Shareholders' Meeting authorises the Board of Directors to replace all or part of the discount with a grant of shares or share equivalents, or reduce the discount or offer the shares to be issued at their market price, subject to compliance with the applicable legal and regulatory limits;
- resolves that the Board of Directors may, within the limits prescribed by Article L. 3332-21 of the Labour Code, award employee bonus shares from new or existing shares or share equivalents as matching contributions by the incorporation of reserves, profit or share premiums;
- gives this authorisation for a period of fourteen (26) months and terminate the previous authorisation given for this purpose;
- grants full powers to the Board of Directors, including the power of delegation to its Chairman, to set all the terms and conditions of the issues. In particular, the Board shall be authorised:
  - to offer shares and share equivalents to employees of selected entities among the companies whose employees are eligible to invest in the employee stock ownership plan,
  - to set the terms and conditions of the issues to be carried out pursuant to this authorisation, decide the amount of each issue, the issue price and date, the subscription period and other terms and conditions, the terms and conditions of settlement and delivery, and the cum-rights dates of the shares or share equivalents,
  - at its discretion, after each share issue, to charge the issuance costs against the related premium and deduct from the premium the amount necessary to increase the legal reserve to one-tenth of the new capital; and
  - to carry out any and all formalities in order to place on record the capital increase(s) effected pursuant to this authorisation, amend the bylaws to reflect the new capital and generally take all necessary or useful measures.

AMENDMENTS TO THE BYLAWS

Purpose

The purpose of the twenty-second resolution is to submit for your approval a thorough updating of the bylaws by means of formal amendments and bringing the company's bylaws into compliance with a variety of subsequent changes in the law.

All of these amendments are presented to you below on pages 29 to 38.

TWENTY-SECOND RESOLUTION: AMENDMENT OF ARTICLES 8, 9, 12, 19, 20, 22, 25, 27, 30, 31, 32, 33, 35 OF THE BYLAWS

Having read the report of the Board of Directors, the general meeting resolves to amend Articles 8, 9, 12, 19, 20, 22, 25, 27, 30, 31, 32, 33 and 35 of the bylaws, which shall now read as follows:

Article 8 – Share capital

The share capital shall be set at fifty million one hundred and sixty-nine thousand and forty-nine euros (€50,169,049). It shall be divided into fifty million one hundred and sixty-nine thousand and forty-nine (50,169,049) shares with a nominal value of one (1) euro.

Any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, as defined by Articles L. 233-7 and L. 233-9 of the French Commercial Code, 2.5% of the share capital or voting rights, or any multiple of that percentage, shall be required to notify the company of the total number of shares held by it within a period of four trading days of crossing one of these thresholds or any other threshold provided for in law. Failure to comply with this obligation and upon request, duly recorded in the minutes of the general meeting, by one or more shareholders holding at least 5% of the share capital or voting rights, the shares in excess of the amount required to be reported shall be stripped of their voting rights until such time as the situation is rectified and for a period of two years after the date on which they are properly reported.

This duty to report shall apply under the same procedures and within the same timeframes when the number of shares or voting rights falls below the aforementioned thresholds.

Each member of the Board of Directors shall be required to hold at least one share.

Article 9 – Capital increase

The share capital may be increased by resolution or authorisation of the extraordinary general meeting by any means and procedure provided for by current laws and regulations.

Preference shares may be created, with or without voting rights and bearing specific rights of any kind, temporarily or permanently.

In the event of the incorporation of reserves, profits or issue premiums, the extraordinary general meeting shall decide under the same quorum and majority requirements as for ordinary general meetings.

Capital increases may be effected notwithstanding the existence of fractional shares, subscription and allocation rights being negotiable or transferrable.

In the absence of any agreement between the parties, the respective rights of the beneficial owner and the bare owner shall be exercised in accordance with the legal and regulatory provisions.

Article 12 – Form of shares

The shares may take bearer or registered form, at the shareholder's choice.

Regardless of their form, all of these shares will need to be registered in accounts held, depending on the situation, either by the issuing company in the case of registered shares, or by an authorised financial intermediary in the case of bearer shares.

In order to identify the holders of securities, the company may, at any time and under the conditions established by law, ask the central custodian to provide the name, or in the case of a legal entity, the corporate name, the nationality, the year of birth or of founding, the address and the electronic address if any of the holders of securities granting the right, immediately or in the future, to vote at shareholder meetings and the quantity of securities held by each of them and, where applicable, details of any restrictions that may apply to said securities.

Article 19 – Board Chair and secretariat

From among its members the Board shall elect a chair, who must be a natural person, for a term which may not exceed his or her term as director. The Board of Directors may terminate his or her appointment at any time. Regardless of the term for which they were conferred, the Chair's duties shall end automatically upon completion of the general shareholders meeting held to approve the accounts for the year in which the Chair reaches the age of 65.

The Chair of the Board of Directors shall represent the Board. He or she shall organise and direct the latter's work, reporting thereon to the shareholders' meeting, and shall ensure that the company's corporate bodies all run smoothly, ensuring in particular that the directors are able to fulfil their roles.

If it is deemed appropriate, the Board may appoint one or more Deputy Chairs whose role shall consist exclusively of chairing board meetings or shareholders' meetings in the Chair's absence. In the absence of both the Chair and any Deputy Chairs, the Board shall appoint one of the directors present to chair its meeting. At each meeting the Board may appoint a secretary who is not required to be a shareholder.

Article 20 – Deliberations by the Board – Minutes

The Board of Directors shall meet as often as required by the company's interests. It shall be convened by the Chair. Where the Board has not met for more than two months however, directors representing at least one third of the Board of Directors may convene a meeting, specifying the agenda. The agenda shall be set by the Chair and may only be finalized at the time of the meeting. The meetings must take place at the registered office. Meetings take place either at the registered office or at another place specified in the notice of meeting.

The actual presence of at least half the members of the Board is required for any decisions to be valid. Persons present at the meeting for the purposes of calculating the quorum and the majority shall include directors attending the meeting via videoconferencing facilities or other means of telecommunication enabling them to be identified and ensuring their actual participation under the terms and conditions provided for by current law and legislation.

Decisions shall be made by a majority vote of members present or represented, each director present or represented having one vote and each director present having only one power of attorney. In the case of a split vote, the Chair of the meeting shall have the casting vote. If the Board is made up of less than five members and only two directors attend the meeting, decisions must be taken unanimously.

The deliberations of the Board of Directors shall be recorded in minutes drafted and signed in a special register or on loose sheets of paper under the conditions laid down by the legal provisions in force.

Article 22 – General management – Delegation of powers

General management of the company shall be handled, either by the Chair of the Board of Directors or by another individual appointed by the Board and bearing the title of Chief Executive Officer.

The choice between these two methods for general management shall be made by the Board of Directors which must inform shareholders and third parties under the conditions provided for by law. Decisions of the Board of Directors concerning the choice of procedures for exercising the general management shall be made by the majority of directors present or represented. The Board of Directors shall set the term intended for the chosen option. Upon expiry of this period, the Board of Directors must once again decide how the general management is to be exercised.

The Chief Executive Officer shall handle, under his or her own responsibility, the general management of the company within the scope of the corporate purpose and subject to any powers expressly attributed to the shareholders' meetings and the Board of Directors by law. The company shall be bound even by his or her acts not within the company's purpose unless the company can prove that the third party knew that the act went beyond this purpose or could have been unaware thereof given the circumstances. He or she shall represent the company in its dealings with third parties who shall not be bound by any decisions limiting his or her powers. He or she may be authorised by the Board of Directors to grant sureties, endorsements and guarantees given by the company under the conditions and within the limits set by current regulations.

Upon proposal by the Chief Executive Officer, the Board of Directors may appoint a Chief Operating Officer, an individual, to assist the Chief Executive Officer. Five Chief Operating Officers may be appointed. The functions of the Chief Operating Officer shall end automatically upon completion of the general shareholders' meeting held to approve the accounts for the year in which the Chief Operating Officer reaches the age of 65.

The Chief Operating Officer(s) may be chosen from among the members of the Board or outside the Board. They may be dismissed at any time by the Board upon proposal by the Chief Executive Officer. In the event of the death, resignation or dismissal of the latter, unless otherwise decided by the Board, they shall retain their position and powers until such time as the new Chief Executive Officer is appointed. Where a Chief Operating Officer is also a director, the term of his or her office may not exceed his or her term as director. In agreement with the Chief Executive Officer, the Board of Directors shall determine the extent and duration of the powers granted to the Chief Operating Officers.

In their dealings with third parties, the Chief Operating Officers shall have the same powers as the Chief Executive Officer. The Board shall set the amount and terms of the Chief Executive Officer's remuneration and that of the Chief Operating Officer(s).

Article 25 – Agreements between the company and its management and shareholders

Any agreement entered into, directly or indirectly, between the company and one of its directors, its Chief Executive Officer, its Chief Operating Officers, one of its shareholders holding a portion of the voting rights that is greater than that required by law or, if it is a corporate shareholder, that company that controls it within the meaning of Article L. 233-3 of the Commercial Code, must be subject to the authorisation, verification and approval procedure provided for by law.

The above provisions shall not apply to agreements relating to current operations and made on normal terms. Such agreements shall be communicated to the Chair of the Board of Directors by the party concerned.

It shall be prohibited, under penalty of nullity of the contract, for directors other than legal entities, to contract, in any form whatsoever, loans from the company, obtain an overdraft on a current account or otherwise from the company or to make the company endorse or guarantee their commitments towards third parties. The same prohibition shall apply to the Chief Executive Officer, the Chief Operating Officers and the permanent representatives of legal entities that serve as directors. It shall also apply to spouses, ascendants and descendants of the persons referred to in this paragraph and to any intermediary.

Article 27 – Court-ordered assessment

One or more shareholders representing at least 5% of the share capital, or who are joined in a lawfully established association, may petition the court, either individually or jointly, to appoint an expert to submit a report on one or more management operations providing they have first questioned the Chair of the Board of Directors in writing and providing the latter has not provided a response within a period of one month or has not provided a satisfactory response.

Article 30 – Meeting notice types and deadlines

Meetings shall be convened by means of an announcement placed in a journal authorised to publish legal announcements within the registered office region and also in the French official bulletin of legal notices, the Bulletin des Annonces Légales Obligatoires (BALO). The notice of meeting published in the BALO shall also be published on the company's website for an uninterrupted period starting no later than the twenty-first day preceding the general meeting.

Parties having held registered shares for at least one month prior to the date the meeting notice announcement is placed shall be invited to the meeting by ordinary letter or, on request and at their own expense, by registered letter. Registered shareholders may be notified of the meeting by electronic means in the manner prescribed by law and regulations.

Co-owners of full shares registered in this respect within the timeframe set out in the previous paragraph shall have the same rights. In the event that voting rights are stripped from share ownership, then these rights shall belong to the owner of the voting right.

Where a meeting has not been able to deliberate validly due to a lack of the required quorum, the second meeting shall be convened under the same formalities as the first and the meeting notice shall reiterate the date of the latter. The same shall apply when convening a meeting extended in accordance with the law. The period between the date the last notice of the meeting is placed and the date of the meeting itself shall be fifteen days for the first notice and ten days for the subsequent notice.

Article 31 – Meeting agendas

The agenda for the meeting shall be set by the party issuing the meeting notice or by the court order appointing the agent responsible for convening the meeting. One or more shareholders representing the percentage of share capital stipulated by the legal and regulatory provisions may request the inclusion of items and draft resolutions in the agenda for the meeting by registered letter with return receipt requested or by electronic communication. The meeting may then not deliberate on an issue that goes not appear on the agenda which may not be amended upon the second notice of the meeting. It may however dismiss and replace one or more directors, under any circumstances.

Article 32 – Admittance to meetings

Each shareholder shall have 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 name of the intermediary registered on the shareholder's behalf, at zero hour, French time, on the second 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. The Board of Directors may reduce this period by way of a general decision for the benefit of all shareholders. In the event that voting rights are stripped from share ownership, only the holder of the voting right may attend or be represented at the meeting. Co-owners of joint shares shall be represented at the general meeting by one of them or by a single agent appointed, in the event of disagreement, by order of the President of the Commercial Court ruling in summary proceedings upon request by the first co-owner to refer to the matter.

Any shareholder with shares in a particular class may attend special meetings for shareholders within that class under the terms and conditions set out above.

Article 33 – Shareholders' representation – Correspondence voting

Any shareholder may arrange to be represented by another shareholder or by their spouse, his or her partner in a civil union or by any individual or legal entity of his or her choice, in the manner prescribed by law and regulation. The proxy shall be granted for a single meeting. It may be granted for two meetings, one ordinary and the other extraordinary, if they are held on the same day or within a period of seven days. It shall apply to successive meetings convened with the same agenda. The proxy as well as its revocation, if any, shall be in writing and transmitted to the company.

The company shall be obliged to enclose the information stipulated in the regulatory provisions with any proxy form sent out to shareholders either directly or through any agent appointed by it for this purpose. The proxy form must inform the shareholder that if the form is used without naming a representative, the Chair of the meeting shall issue a vote in favour of adopting the draft resolutions proposed or approved by the Board of Directors and a vote against the adoption of all other draft resolutions on his or her behalf.

To issue any other vote the shareholder must choose a representative who may not in turn be represented by another party. With effect from the date the meeting notice is issued to the fifth day prior to the meeting inclusive, any shareholder meeting the eligibility criteria to attend the meeting may ask the company to send him or her a proxy form to a specified address. The company shall be obliged to send this form before the meeting and at its own expense.

Any shareholder may vote by correspondence using a form complying with the legal requirements. Such forms shall be disregarded unless received by the company prior to the meeting and within the timeframe stipulated by current legal provisions. Forms that provide no voting indications or express an abstention shall be regarded as votes against.

If the Board of Directors so decides at the time the meeting is called, any shareholder may submit a proxy form and correspondence voting form by any means of remote transmission under the terms and conditions and in accordance with the formalities stipulated by law.

Article 35 – Voting

The voting right attached to capital shares or dividend shares is proportionate to the capital quota they represent and each share grants the right to at least one vote. However, a double voting right is granted, in view of the percentage of share capital they represent, to any fully paid-up shares that have been registered in the name of the same shareholder for at least five years.

In the event of a capital increase by incorporation of reserves, profit or issue premiums, double voting rights are granted, as from their issuance, to registered shares allocated free of charge to a shareholder as a result of the shares already held which benefits from said right.

Double voting rights awarded pursuant to the preceding will terminate automatically for any shares converted to bearer form or that change ownership. A transfer resulting from inheritance, liquidation of a community of assets between spouses or an inter vivos gift to a spouse or heritable relative shall not lose this entitlement and does not disrupt the five-year period mentioned above.

In any constituent Extraordinary General Meetings, each shareholder, whether present or represented, shall have only the maximum vote set by law. Votes shall be cast by raising hands or answering to a roll call. Secret ballots, whose manner of being cast will be set by the meeting, shall be taken only on the request of the members who themselves or as proxies represent the majority required to adopt the resolution in question.

The voting rights attached to a share shall belong to the beneficial interest owner for Ordinary General Meetings and to the bare owner for Extraordinary General Meetings or constituent meetings. Voting rights are exercised by the owner of the pledged shares.

The company may not validly vote in respect of shares that it has purchased. In addition, are deprived of voting rights: shares that have not been fully paid to the extent that payment is due, shares of the contributor in kind or beneficiary of special benefits at the time when such contributions and benefits are approved, the shares of any eventual subscribers in the meetings called to rule on the elimination of pre-emptive subscription rights, and shares the subject to the proceedings laid out in Article 27.

POWERS TO CARRY OUT FORMALITIES

Purpose

The twenty-third resolution is a customary resolution whose purpose is to submit for your approval the powers given in order to carry out any public announcements and legal formalities that result from the decisions of the meeting.

TWENTY-THIRD 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

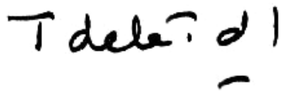
I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of my knowledge, consistent with the facts and contains no omission likely to affect its import.

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 2015



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)	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Audit								
Statutory auditor, certification, review of individual and consolidated financial statements	1,497	1,477			1,836	1,731		
SEB S.A., issuer coordination and consolidation	157	146			234	232		
Fully consolidated subsidiaries	1,340	1,331			1,602	1,499		
Other procedures and services directly relating to audit assignment	89	60			104	28		
SEB S.A., issuer coordination and consolidation	69	52			-	2		
Fully consolidated subsidiaries	20	8			104	26		
SUB-TOTAL	**1,586**	**1,537**	**96%**	**99%**	**1,940**	**1,759**	**100%**	**99%**
Other services performed by the networks for fully integrated subsidiaries								
Legal, fiscal, corporate	23	11			4	6		
Information systems	-				-			
Other	52	4			5			
SUB-TOTAL	**75**	**15**	**4%**	**1%**	**9**	**6**	**0%**	**1%**
TOTAL	**1,660**	**1,552**	**100%**	**100%**	**1,949**	**1,765**	**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	107-119	X	X
Key non-financial performance indicators relevant to the company's specific business activity	69-105		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	118	X	X
Dividends distributed over the three preceding financial years and amount of income distributed for these years	218		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	168-177	X	X
Company's exposure to price, credit, liquidity or cash flow risks	176-177	X	X
Social and environmental consequences of business (including "Seveso" facilities)	69-105		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	24-34		X
Total compensation and benefits of any kind paid to each executive officer during the financial year	43-59		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	46-47		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	49-51, 216		X
Conditions for the exercise and retention of stock options by executive officers	214-216		X
Conditions for the retention of free shares awarded to executive officers	214-216		X
Transactions by senior executives and associated persons involving the company's shares	60		X
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	37-39		X
Powers of the Board of Directors or Management Board, in particular concerning the issue or buyback of shares	213	X	X
Purchases and sales of treasury stock during the financial year	213	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	213	X	X
Structure and changes to the company's share capital	209-212	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	208	X	X
Direct or indirect shareholdings in the company, of which the company is aware	210-211	X	X

	Page numbers	Annual Financial Report	Management report
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	214-216		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	209-210	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	46-47		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	129-130	X	
Profit over the last five financial years	122	X	
Consolidated financial statements	121-186	X	
Separate financial statements	187-203	X	
Statutory auditors' reports on the separate and Consolidated Financial Statements	185-186, 202-203	X	
Fees paid to the Statutory auditors	215	X	
Chairman's report	61-66		X
Statutory auditors' report on the Chairman's report	67	X	X
Declaration by the person responsible for the Annual Financial Report	253	X	

9.5. CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

21.2 Memorandum and bylaws	207-212
21.2.1. Corporate objects and purposes	207
21.2.2. Provisions regarding the administrative and management bodies	42
21.2.3. Classes of shares	207-208
21.2.4. Changes to shareholder rights	N/A
21.2.5. Manner in which General Meetings are called and held	207-208
21.2.6. Provisions that would have the effect of delaying or preventing a change in control	208
21.2.7. Thresholds above which shareholder ownership must be disclosed	208
21.2.8. Provisions governing changes in the capital	23
22 – MATERIAL CONTRACTS	N/A
23 – THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST	N/A
24 – DOCUMENTS ON DISPLAY	252
25 – INFORMATION ON HOLDINGS	182-184, 192-193

The following information is incorporated by reference in this Registration Document:

- the Registration Document for the 2013 financial year was filed with the French Markets Authority on 27 March 2014 under number D. 14-0214. The Consolidated Financial Statements appear on pages 97 to 160 and the corresponding audit report appears on pages 161 and 162 of this 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.

9.6. CROSS-REFERENCE TABLE, GRENELLE II, GRI AND GLOBAL COMPACT

			References		
Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	Registration Document	Website Sustainable development section
SOCIAL PERFORMANCE INDICATORS					
Employment					
Total employees	1.a-1	LA1		page 81	Key figures
Breakdown of employees by gender	1.a-1	LA1/LA13		page 86	
Breakdown of employees by age	1.a-1	LA13		page 86	
Breakdown of employees by geographical zone	1.a-1	LA1		page 81	
Breakdown of employees by type of work		LA1		page 86	
Breakdown of employees by employment contract type		LA1		page 83	
Hires	1.a-2	LA2		page 82	
Redundancies	1.a-2	LA2		page 82	
Compensation	1.a-3	LA3/LA14		page 84	Social, diversity and fairness
Change in compensation over time	1.a-3	LA3		page 84	
Work organisation					
Organisation of working hours	1.b-1			pages 83 and 85	
Absenteeism	1.b-2	LA7		page 85	
Labour relations					
Organisation of employee-management dialogue	1.c-1	LA4/LA5	3	page 87	Social, dialogue
Collective bargaining agreements	1.c-2	LA4/LA5		page 87	Social, dialogue
Health and safety					
Workplace health and safety conditions	1.d-1	LA6/LA8	4 - 5	pages 88 to 90	Social, health/ safety
Agreements signed with labour unions in relation to workplace health and safety	1.d-2	LA9		page 87	
Frequency and severity of workplace accidents	1.d-3	LA7		page 89	
Work-related illness	1.d-3	LA7		page 90	Social, health/ safety
Training					
Policies in place with regard to training	1.e-1	LA11		pages 90 and 91	Social, expertise
Total number of training hours	1.e-2	LA10		page 90	
Number of employees having regular evaluation and career development interviews		LA11		page 81	Social, expertise
Equality					
Measures taken to promote gender equality	1.f-1	LA14		page 86	Social, diversity and fairness
Measures taken to promote employment opportunities for and integration of disabled people	1.f-2	LA13		page 87	
Anti-discrimination policy	1.f-3	LA13		pages 85	Social, diversity and fairness
Governance					
Composition of corporate governance bodies		LA13		chapter 2	Governance

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Registration Document	References: Website Sustainable development section
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	page 87	Social, dialogue
Elimination of discrimination in employment and occupation	1.g-2	HR4/LA13/ LA14	6	page 85	Social, diversity and fairness
Elimination of forced or compulsory labour	1.g-3	HR6/HR7	4 - 5	page 78	Commitments and management
Effective abolition of child labour	1.g-4	HR6		page 78	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		page 79	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 78	
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 78	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 78	
ENVIRONMENTAL PERFORMANCE INDICATORS					
General policy toward the environment					
Company organisation to address environmental issues. Environmental evaluation or certification procedures, where applicable	2.a-1		From 7 to 9	pages 97 and 101	Environment
Employee training and education actions taken with regard to safeguarding the environment	2.a-2			page 97	
Resources allocated to prevent environmental risks and pollution	2.a-3	EN30		page 97-98	Eco-production
Provisions and guarantees for environmental risks (unless this information could be detrimental to the company)	2.a-4	EN28/EC2		page 177	
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 to 9	page 100	Eco-production
Measures to prevent, recycle and dispose of waste	2.b-2	EN27		page 100	Eco-production; Product end of life
Measures to prevent noise pollution and any other form of pollution stemming from operations	2.b-3	EN25		page 101	Eco-production
Total discharge into water		EN21		page 101	
Total waste produced		EN22/EN24		page 100	

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Registration Document	References: Website Sustainable development section
Sustainable use of resources					
Water consumption and supply according to local constraints	2.c-1	EN8/EN9/EN21	From 7 to 9	page 99	Eco-production
Consumption of raw materials	2.c-2	EN1		page 99	Eco-production
Consumption of recycled materials		EN2		page 98	Eco-design
Measures taken to improve the efficient use of raw materials	2.c-2	EN10		page 99	Eco-design; Eco-production
Energy consumption	2.c-4	EN1/EN3/EN4		page 99	Eco-design; Eco-production
Measures taken to improve energy efficiency and use of renewable energy	2.c-4	EN5/EN6/EN7		page 99	Eco-design
Land use	2.c-3			page 99	
Climate change					
Greenhouse gas emissions	2.d-1	EN16/EN17/ EN19/EN20	7 to 9	page 100	Eco-production; Eco-logistics
Adaptation to the consequences of climate change	2.d-2	EN18/EC2		page 100	
Biodiversity protection					
Measures taken to preserve or promote biodiversity	2.e-1	EN 11-15/ EN25	7 to 9	page 101	Eco-production
Products and services					
Initiatives to reduce the environmental impact of products and services; scope of these initiatives		EN26	7 to 9	pages 96, 97 and 98	Eco-design; Product 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 to 9	pages 101 and 102	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 92	Communities
On neighbouring or local populations	3.a-2	EC1/EC6/SO1/ SO9/SO10		page 92	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 92	Communities
Corporate partnership or sponsorship actions	3.b-2	EC1		pages 92 to 94	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 79 and 80	Ethics, Responsible purchasing
Extent of sub-contracting and consideration for CSR factors in relations with suppliers and contractors	3.c-2			pages 79 and 80	Ethics, Responsible purchasing

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Registration Document	References: Website Sustainable development section
Fair business practices					
Actions taken to prevent corruption	3.d-1	SO 2-4/SO7/SO8	10	page 80	Commitments and management
Measures taken in favour of consumer health and safety	3.d-2	PR1/PR2		page 95	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 257	

FINANCIAL AGENDA 2015

23 APRIL AFTER PARIS BOURSE

2015 first quarter sales and financial data

12 MAY AT 2:30 PM (FT)

Annual General Shareholders' Meeting in Paris (at the Paris Bourse)

19 MAY

Payment of dividend

23 JULY AT 6:30 AM (FT)

2015 half-year sales & trading results

27 OCTOBER AFTER PARIS BOURSE

2015 nine-months sales and financial data

Publication dates and times available on Internet

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