4.1. 2015 HIGHLIGHTS

General environment

With just a few exceptions, the Small Household Appliance (SHA) market performed largely in line with the prevailing economic climate from country to country. Against the backdrop of relatively buoyant demand in Europe, this market was particularly lively. In the United States, performance was mixed, depending on product family, with cookware proving to be the main growth driver, fuelled by the Group momentum. Generally speaking, the SHA market remained upbeat in mature markets and was mainly driven by innovation and upgrading.

Emerging economies, often disrupted by currency depreciation, differed from country to country The disparate situation of South American countries was reflected in the demand for small domestic appliances which was up in Colombia but felt the pressure in Brazil, for example. In Turkey, consumption remained buoyant overall despite the overriding tensions in the region and the country's recent political issues. In Russia, on the other hand, against the backdrop of a steadily deteriorating economic climate, the market continued to crash. Lastly, in China, the Small Household Appliance Market remained buoyant, driven by increasing urbanisation, territorial expansion of the distribution network and the exponential growth of e-commerce. Despite such disparate situations, emerging countries are still significant growth drivers for the future of the SHA market since households still have relatively few appliances, the middle classes are increasing rapidly and spending power is steadily improving.

The overall vitality of the market is due to a few categories of products which have provided it with a strong impetus. These include, in particular, electrical cooking (driven by rice cookers and electric pressure cookers in China, for example), food preparation, floor maintenance (steady growth in vacuum cleaners), ventilation (business linked to weather conditions) and cookware.

As in previous years, the Small Household Appliance market continued to be highly competitive and discount-driven, particularly in countries that have been hit the hardest economically.

Currencies

In 2015, the monetary environment was, once again, marked by extreme volatility on the foreign exchange markets. The changes cited below are based on average exchange rates as compared to 2014. Continuing the trend that began at the end of the 2014 financial year, the Chinese yuan and the US dollar appreciated significantly (+17.5% and +19.8% respectively). It should be noted that the Group has costs in excess of income in both these currencies due to its buying structure. Their appreciation against other currencies was, therefore, damaging and had a negative impact on the Group's profitability in 2015 despite the fact that it was mitigated by the effect of hedging. Several emerging currencies once again fell against the euro. The Russian rouble experienced another sharp fall in 2015 (-25.2%). The same was true for the Brazilian real (-15.5%), the Colombian peso (-12.8%), the Ukrainian hryvnia (-34.8%) and, to a lesser extent, the Turkish lira (-3.9%). Some currencies were up against the euro, like the Japanese yen (+4.5%), the pound sterling (+11.0%) and the Korean won (+11.4%).

These fluctuations were reflected in contrasting effects on the Group's performance with a positive impact on sales (+€149 million in 2015 compared with negative impacts of -€132 million in 2014 and -€116 million in 2013) but a negative impact on profitability, with an operating result from activity down €100 million in 2015. The Group implemented compensatory measures 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 (for in-house production), or indirect if the manufacturing of the product is outsourced to subcontractors. Generally speaking, raw material prices fell significantly in 2015.

The price of aluminium was down 11% on the previous year (average price of $1,683 per tonne in 2015 compared with $1,895 per tonne the previous year) with the downward trend accelerating in the second half. Copper was also down (-19%) with an average price of $5,502 dollars a tonne compared with $6,830 in 2014. Lastly, the price of nickel fell (-46%) with an average price of $11,906 a tonne ($16,950 in 2014). It should be recalled, nonetheless, that in order to smooth out the effect of these variations, the Group has implemented a hedging policy for a significant portion of its metal needs.

The price of a barrel of oil continued to fall over the year with an average price of $54 (down 46% on 2014). At the same time, the price of plastics raw materials flattened out with, in particular, a drop in the price of polypropylene.

The prices of outsourced finished goods fell in mid-2015 despite wage inflation in China (more moderate than in previous years), owing to the purchasing terms negotiated and suppliers' productivity gains. The Group's index of purchased finished goods for 2015 was, therefore, down on 2014.

Ocean freight rates were negotiated down over the year.

Groupe SEB strengthens its Executive Committee

To better serve its different markets and to support its international expansion, the Group announced that it would be strengthening its Executive Committee by creating:

- three continental divisions in charge of the Groups worldwide sales activity: Asia, the Americas and EMEA (Europe, Middle East, Africa and India).
- a "Products and Innovation" division which combines Kitchen Electrics, Cookware, Home and personal care business units as well as Innovation.

The Group's Executive Committee now has nine members:

- Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer.
- Bertrand Neuschwander, Chief Operating Officer who assists Thierry de La Tour d'Artaise in the Group's management and supervises the Strategy, Partnerships, Brands and IT Systems departments. He also coordinates the Group's digitalisation.
- Vincent Léonard, Chief Finance Officer, Senior Executive Vice-President.
- Harry Touret, Senior Executive Vice-President Human Resources.
- Stéphane Laflèche, Executive Vice-President, Industrial Operations.
- Frédéric Verwaerde, Executive Vice-President of the Asia Continental division. He was previously in charge of the Continents department.
- Cyril Buxtorf, new Executive Vice-President of the EMEA Continental division, previously in charge of Home and personal care business unit. He is still based at the Group's registered office in Ecully.
- Luc Gaudemard, Executive Vice-President of the Americas Continental division. He was previously in charge of Europe.
- Philippe Crevoisier, Executive Vice-President, Products and Innovation. He was previously in charge of Kitchen Electrics.

Appointments to the Board of Directors

On 12 May 2015, the General Shareholders' Meeting of SEB S.A. approved the appointment of William Gairard as a member of the Board of Directors for a period of four years, to replace Jacques Gairard, whose term of office came to an end. As the mandates of Hubert Fèvre and Cédric Lescure were due to expire at this same meeting, they were renewed for another four years.

The Group celebrated the 40th anniversary of its listing on the Paris stock exchange

On 27 May 1975, the Group, which was already 120 years old, was listed on the Paris stock exchange. The decision to list reflected the Group's desire to increase its financing capabilities by raising funds, to enable its employees to become shareholders, to raise its profile and improve transparency.

On Wednesday 27 May 2015, the Group was the guest of Euronext Paris at the opening ceremony of the European financial markets. After the countdown of the last 10 seconds before the European markets opened, Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB, rang the legendary bell which initially, and until shares were dematerialised, used to announce the opening and closing of the financial markets.

Acquisition of OBH Nordica

At the end of August, the Group finalised the acquisition of OBH Nordica, a major operator in the small domestic appliance (SDA) market in Scandinavia. Founded in 2002 and based in Stockholm, OBH Nordica sells a wide range of small domestic appliances (electrical appliances and cookware). The company enjoys top-ranking positions in the Nordic region, with access to some 4,200 points of sale, and the OBH brand is extremely well known in Sweden, Denmark, Finland and Norway. OBH Nordica achieved SEK 628 million (€66 million) turnover in 2014-15 and has around 7% value market share in the Nordic SDA market. In the lead on the Scandinavian cookware market but positioned as a challenger on the region's small domestic appliance market, Groupe SEB will take advantage of the acquisition of OBH Nordica to significantly increase its market share.

Bond issue

On 18 November 2015, Groupe SEB successfully placed its second bond issue. The €500 million, 7-year issue (due on 25 November 2022), bearing interest at a rate of 2.375%, was five times oversubscribed by a diversified investor base, once again demonstrating the confidence of the financial community in the Group's strategy and long-term outlook.

The bonds were admitted to trading on the Euronext Paris market. The lead managers for the transaction were BNP Paribas, HSBC, Natixis and Société Générale.

This issue enabled the Group:

- to secure refinancing for bonds issued in 2011, ahead of the June 2016 due date;
- to extend the average maturity of its debt;
- to benefit from attractive financing terms.

Please note that Groupe SEB is rated A2 by Standard & Poors for its short-term debt. Its long-term debt is not rated.

An increase in the Group's capital interest in Supor

On 22 December 2015, Groupe SEB announced that it had signed an agreement with Supor Group the Su family holding company to buy 50 million shares, 7.9% of the capital of Supor at a unit price of CNY 29 per share. This transaction followed the 10 million share purchase already made in the first half of 2015 and finalised in mid-2016, subject to approval from the Chinese authorities.

After the operation, Groupe SEB will hold 81.03% of the company and the founding family 1.29%, the remaining stake, i.e. 17.68%, representing the free float. The Group does not envisage taking full control of Supor which will continue to be listed on the Shenzhen stock market. Transaction costs stood at CNY 1,450 million, or around €200 million.

This increased capital interest does not change Groupe SEB's effective control over Supor but confirms the Group's confidence in Supor's ability to continue to expand on the Chinese domestic market and to consolidate its strategic role in the Group's manufacturing base.

Awards for Groupe SEB

In 2015, Groupe SEB received a wide variety of awards:

GOLDEN TOP/COM FOR THE GROUP EMPLOYER BRAND CAMPAIGN

The Group's employer brand campaign "With you, no matter where you are" was awarded a golden TOP/COM trophy at the awards ceremony in Paris on 12 February 2015. The TOP/COM Awards ceremony is held every year to recognise the best communication projects developed by companies and their agencies.

Groupe SEB, together with its agency 4People, was nominated in the category 'corporate campaigns', along with over 30 other companies and agencies.

GROUPE SEB WON THE CSR GRAND PRIX AT THE RESPONSIBLE CONSUMPTION AWARDS ORGANISED BY THE ESSEC BUSINESS SCHOOL

On 6 March 2015, Groupe SEB won the 2015 CSR (Corporate Social Responsibility) Grand Prix at the Responsible Consumption Awards organised by the ESSEC Business School. Launched at the behest of ESSEC's Chair of Fast-Moving Consumer Goods, this award was organised in partnership with the French Ministry of the Economy, Industry and the Digital Sector.

The Group won support for the innovative nature of its experimental cookware recycling network initiative. In addition to this experimental initiative in France, the Group organised a whole host of similar initiatives in different countries which were all praised (the Netherlands, Finland, Thailand).

PURCHASING AWARD

Groupe SEB won the 9th Purchasing Award on 22 June 2015, in one of the seven categories, "Process modernisation and Purchasing performance". The event was primarily organised by three entities representing the Purchasing function in France. In particular, this award recognised a project to reduce on-site retail advertising by standardising and optimising specifications and diversifying procurement.

EURONICS "LIFETIME ACHIEVEMENTS 1990-2015" AWARD

Euronics International, the leading European buying group specialising in consumer electronics and domestic appliances, representing 6,000 independent retailers and over 11,000 points of sale in 31 countries, held its annual International Convention in Amsterdam (the Netherlands) on 2 and 3 July 2015 to celebrate its 25th anniversary.

As is the case every year, Euronics International focused on recognising supplier performance by awarding a 25th anniversary "Lifetime achievement" award. Groupe SEB won this award in the small domestic appliance category and was recognised for its remarkable performance in the field of innovation, the quality of its customer service, and its collaboration since Euronics was created in 1990.

LAW AWARDS – BUSINESS

In Paris on 19 November 2015, the Group's legal department won the 2nd Law Award – Business, in the "International Group Legal department" category. The Group's team put forward some of its achievements over the last three years:

- introduction of a global, yet more secure, panel of lawyers;
- worldwide insurance programmes;
- legal support for connected product launches;
- legal support for SEB Alliance in its capital expenditure projects.

BEST INVESTOR RELATIONS AWARD ACROSS ALL CATEGORIES

The Group was awarded the 2015 Best Investor Relations Award across all categories at the IR Forum in Paris. The Investor Relations Forum is held every year in France and is an opportunity for professionals to get together to share their thoughts and discuss key topics in their industry and markets. It is sponsored by Euronext, SFAF, AFG, CLIFF, Middlenext and the IFA. The Trophies are awarded on the basis of answers to a questionnaire sent to around 2,000 French and international analysts and managers. The expert jury then decides on the prize winners.

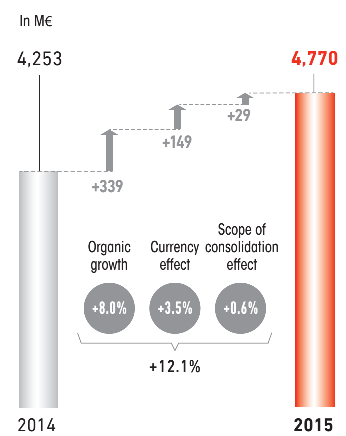
Following on from 2015, the year the Group celebrated 40 years since the SEB share was first listed, this trophy recognises both the transparency and clarity of the Group's financial communications and the availability and commitment of the entire team.

4.2. COMMENTARY ON CONSOLIDATED SALES

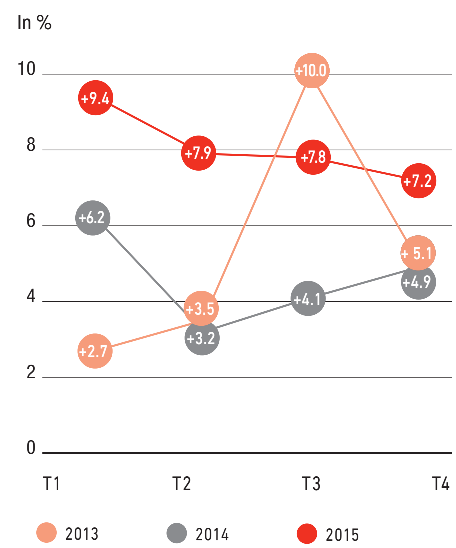
Sales (in € millions)	2015	2014	Change (based on exact figures, not rounded) Reported	Like-for-like
France	739	700	+5.6%	+5.6%
Other Western European countries	970	849	+14.1%	+9.7%
North America	599	496	+20.8%	+6.7%
South America	374	421	-11.2%	+3.4%
Asia-Pacific	1,453	1,132	+28.3%	+12.8%
Central Europe, Russia and other countries	635	655	-3.0%	+3.9%
TOTAL	**4,770**	**4,253**	**+12.1%**	**+8.0%**

Sales (in € millions)	4th quarter 2015	4th quarter 2014	Change (based on exact figures, not rounded) Reported	Like-for-like
France	281	275	+2.2%	+2.1%
Other Western European countries	375	305	+23.0%	+15.8%
North America	192	171	+12.4%	+3.5%
South America	99	128	-22.6%	-0.8%
Asia-Pacific	380	315	+20.5%	+11.8%
Central Europe, Russia and other countries	202	204	-1.0%	+2.1%
TOTAL	**1,529**	**1,398**	**+9.4%**	**+7.2%**

2014-2015 SALES GROWTH



ORGANIC GROWTH IN SALES BY QUARTER IN 2013, 2014 AND 2015



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. In 2015, strong organic growth in sales (+8.0%) was based on a large number of products. All categories contributed to the Group's strong performance.

- **home comfort** saw another sharp rise in sales, particularly in Brazil and Colombia, primarily driven by fans and the success of the Turbo Silencio and Silence Force ranges. Air conditioning and heating business was also up;
- **home care** recorded double digit growth in sales, driven by an excellent performance from cylinder vacuum cleaners, with and without dust bag. The Group benefited greatly from the introduction, on 1 September 2014, of performance labelling of vacuum cleaners in Europe, having one of the best positioned ranges on the market in terms of the four criteria being assessed. The Silence Force Multicyclonic range of bagless vacuum cleaners has been very successful, particularly on the French, Turkish, Spanish, German and Italian markets, whilst Air Force upright vacuum cleaners maintained good momentum. The Group significantly increased its vacuum cleaner market share in the countries in which it has a presence;
- **food preparation** saw sales rise slightly, despite the decline in meat mincers, a typical product on the Russian market, and the slowdown in Fresh Express sales. Food processor business was very steady due to the continuing success of the Cuisine Companion, particularly in France and Italy, as well as its launch on the German market where it was awarded the coveted test winner prize awarded by Stiftung Warentest. In addition, the growth of heater blenders was steady, driven by Soup&Co and by the launch of Easy Soup;
- **linen care** ended the year up slightly, the drop in sales of steam irons in some countries having been offset by the rise in steam generators driven by several European markets. Sales of garment steamers continued to rise, benefiting from the category's rapid growth and the expansion of its geographical reach. Semi-automatic washing machines, the vast majority of which were sold in Brazil, saw sales fall;
- **personal care** was up slightly, despite the continued complexity of the weighing business. Sales of hair care equipment continued to rise with, in particular, strong performances in Russia and Spain and as a result of the ongoing development of Steampod, the professional hair smoothing solution designed in partnership with L'Oréal. Epilation saw sales grow, in particular, on the Turkish market;
- **cookware** recorded steady growth, driven by buoyant ordinary business (growth across all categories), as well as sharp growth in loyalty programmes. Business was, once again, very buoyant in China where Supor consolidated its positions. Sales of fixed-handle frying pans and saucepans were up across a large number of markets including the United States, France, Japan, Russia, South Korea etc. Sales of the Ingenio ranges with detachable handles were also up, in particular, on the Japanese and Russian markets. Sales of pressure cookers were up slightly whilst cooking utensils recorded steady growth driven, in particular, by the success of thermos flasks;
- **electrical cooking** experienced another year of strong growth and benefited from the rapid rise in sales of rice cookers in China where the Group recorded new gains in market share due, in particular, to a constant flow of innovative products. Multicookers made great advances due to the excellent performance of Cookeo which distinguished itself once again on the French market and saw sales driven upward by the launch of a new connected version, Cookeo Connect. Sales of multicookers also benefited from rapid growth in sales in China. Optigrill benefited from the extension of its geographical reach. Deep fryers were up slightly, buoyed by traditional fryers, sales of which were up on most markets whilst the Actifry range was expanded with the addition of two new models;
- **beverage preparation** experienced steady growth. On the highly competitive single-serve coffee market, the Group steadily increased its sales of Dolce Gusto, mainly driven by growth in Brazil. Automatic espresso coffee machines continued to make advances in Germany and Russia, particularly due to the ongoing expansion of the range. Electric kettle business bounced back due to a price policy adjustment in Japan and sales growth in China.

Geographical performance

FRANCE: AN EXCELLENT YEAR

In 2015, the French market continued to trend positively overall and proved particularly dynamic in small electrical appliances, especially in vacuum cleaners and electrical cooking, despite the end-of-year repercussions of the terrorist attacks in Paris in November. The Group achieved a very strong performance with annual sales up 5.6%, fueled by multiple factors such as a very positive contribution of many products, several successful sales and marketing campaigns and improved business with almost all retail customers. After a particularly spritely start to the year, growth softened in the second half, and particularly in the fourth quarter, because of a high comparison basis in 2014 for the same period (+9.2% in fourth-quarter 2014). Through its core business and several loyalty programmes, the Group outperformed the market and significantly strengthened its positions in small electrical appliances and even more so in cookware.

Among the best-sellers of the year, special mention should be made of coffee makers (automatic espresso and single-serve coffee machines), draught beer systems, food preparation appliances such as the Cuisine Companion cooking food processor, the Cookeo multicooker (including the connected version, Cookeo Connect) and fryers, together with vacuum cleaners and steam generators. Most of these products benefited from a powerful media plan in the fourth quarter that considerably boosted sales. On a contrasting note, business was more difficult in personal care products.

OTHER WESTERN EU COUNTRIES: STRONG GROWTH IN ALL THE MAJOR MARKETS

The European small electrical appliance market was highly favorable in 2015 with sustained growth in most countries and product categories. The situation was more mixed in cookware, although the underlying trend was positive. In this context, Group sales grew sharply in the region, with fourth-quarter growth of 15.8% like-for-like.

In Germany, after a first half-year penalized by the non-recurrence of major loyalty programmes of 2014, the Group had an excellent year-end, combining a strong improvement in core business, boosted by the highly positive impact of consumer tests, new loyalty programmes, fast-rising online sales and enhanced investments in growth drivers.

Revenue also increased sharply in Portugal and Spain (particularly the latter) throughout the year and across all product categories, driven up by considerable sales and marketing support.

In Italy, the Group achieved record sales in 2015, on the back of kitchen electrics, vacuum cleaners and ironing as well as rapid growth in online sales.

Business also trended favorably in the Netherlands, while the strong momentum continued in the UK (despite a slight slowdown in the fourth quarter), generated by both electrical appliances and cookware.

NORTH AMERICA: SUSTAINED GROWTH

Group performance in North America was marked throughout 2015 by major FOREX impacts. Sales for the year as a whole increased 20.8%, of which 6.7% in organic growth.

In the United States, in a relatively positive market environment, sales grew 4.5% in 2015 on a like-for-like basis. The performance was largely driven by cookware, with the Group's benchmark brands such as T-fal, All-Clad and Imusa delivering very good results, and with kitchen tools doing very well. Activity was more subdued in small electrical appliances (ironing, OptiGrill), despite a significant recovery in the last quarter. Meanwhile, the Group continued to rapidly develop online sales across its entire product line-up.

Sales in Canada were impacted by price increases introduced to offset currency effects, but grew year on year owing to a sharp rebound in activity in the fourth quarter.

In Mexico, the Group achieved in 2015 strong organic revenue growth, bolstered by cookware (core business and loyalty programme at Soriana) while business was more volatile in small electrical appliances and contrasted from one product family to the next.

SOUTH AMERICA: DIFFICULT END OF YEAR IN BRAZIL, AS EXPECTED

Annual sales in South America were down 11.2%, strongly impacted by the depreciation of the Brazilian real and Colombian peso, the Group's two main currencies in the region. However, like-for-like growth came out at 3.3%, reflecting solid business through end-September followed by a downturn in the fourth quarter.

In Brazil, the Group contended throughout the year with a climate of economic crisis, a persistently weak real and major political issues. While business remained positive in the first nine months, the end of the year proved more complicated, as expected, with consumer spending under pressure, heightened competition, and a drastic inventory reduction policy on the part of retailers. As such, fourth-quarter sales contracted. As a matter of fact, growth in food preparation appliances and the ongoing success of Dolce Gusto failed to offset the downward trend in cookware and ironing as well as an unfavorable start to the season for fans owing to weather conditions. Against this troubled backdrop, the Group stepped up the reorganization of its manufacturing, logistics and sales activities.

In Colombia, sustained demand was fueled by strong product momentum and powerful marketing and advertising support. Together they served to generate vigorous sales growth, which accelerated sharply in the fourth quarter on the success of all product categories in small electrical appliances (particularly food preparation and fans) and cookware (Triforce non-stick coating).

ASIA-PACIFIC: ROBUST ORGANIC GROWTH OVER THE WHOLE YEAR

The fourth quarter was in line with the first nine months, with brisk organic sales growth driven by the three large markets in the region – China, Japan and South Korea – and the highly positive impact of the year-on-year appreciation of the yuan.

In China, growth in revenue hovered around +17% throughout the year on a like-for-like basis. In the highly competitive Chinese market, Supor achieved this robust performance by continuously enhancing its product line-up with new value-added products (new fast pressure cooker and steam rice cooker), developing new categories (notably kitchen tools), increasing the number of points of sales (presence at over 50,000 stores at end-2015) and growing online sales at a brisk pace.

In Japan, 2015 was a year of business recovery and recapture of market share. Strong organic growth in the year and the fourth quarter was driven by kettles, cookware and recently launched garment steamers.

The Group also enjoyed an excellent year in South Korea with an extended range of flagship products including cookware, vacuum cleaners, food preparation appliances and personal care products.

In nearly all other Asia-Pacific countries, the Group recorded growth, except in Thailand, where the economic environment led to a decline in activity.

CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES: CONTRASTED END OF THE YEAR

In this disrupted region, impacted by major currency effects (including the Russian rouble, Ukrainian hryvnia and Turkish lira), Group sales grew solidly in the first half-year and held up well in the second part of the year despite severe downturns in several markets and a high comparison basis in fourth-quarter 2014. As a result, the Group outperformed the market and shored up its positions in almost all the countries in the region.

Group performance in Central Europe was positive overall, with strong end-of-year momentum in most countries.

In Russia, where the small household equipment market collapsed, the Group delivered a satisfactory year although it recorded an organic fall in sales in the fourth quarter, to be put in perspective with a very strong fourth quarter in 2014. In a context of very significant price increases introduced to offset the weakness of the rouble, Group's 2015 sales were stable at constant exchange rate, thanks to sustained growth in cookware, multicookers, rice cookers, and personal care products, and to new loyalty programmes. The result, ultimately, was an increase in market share.

In Ukraine, the deteriorated general environment ended up by weighing on demand, and fourth-quarter revenue dropped. But full-year sales registered solid like-for-like growth and the Group consolidated its positions on the market.

In a resilient Turkish market, sales increased and the Group confirmed its outperformance at the end of the year in small electrical appliances, especially in vacuum cleaners and ironing – the two pillars of the business – as well as in personal care. The renovation of newly integrated Tefal shops together with stronger in-store marketing initiatives substantially boosted performance and market share.

Meanwhile, the Group enjoyed very strong sales growth in local currencies in Egypt and India.

4.3. COMMENTARY ON THE CONSOLIDATED RESULTS

Income statement

OPERATING RESULT FROM ACTIVITY OF €428 MILLION, UP 16.3% IN EUROS, AND 43.0% LFL*

The Group generated operating result from activity (ORfA) of €428 million, up €60 million (+16.3%), despite a negative currency effect of €100 million, resulting largely from the strengthening of the US dollar and Chinese yuan, the Group's main purchasing currencies, against the euro. The depreciation of several emerging currencies, especially in the second half of the year, also contributed to the negative currency effect, though to a lesser extent. At constant exchange rates and scope of consolidation, ORfA came out at €525 million, with growth of 43.0% (+12.6% in 2014), which can be attributed to the following:

- a positive volume effect, stemming from robust organic growth in sales;
- a positive price-mix effect, reflecting the sometimes sharp price increases made in some countries to offset the depreciation of the local currency, as well as the continued improvement of the product mix;
- ongoing efforts to boost industrial competitiveness, together with gains in purchasing attributable both to the fall in commodity prices and to productivity initiatives;
- strengthened growth drivers, as announced, particularly in operational marketing and advertising (up 16% on a like-for-like basis), which strongly supported business momentum;
- effective control of costs and operating expenses, which rose considerably less than Group activity;
- a scope effect with the consolidation of OBH Nordica for four months of the year.

Harnessing all the above, the Group succeeded in more than offsetting the -€100 million currency impact on ORfA, which grew in a robust manner.

SIGNIFICANT INCREASE IN OPERATING PROFIT AND NET PROFIT

Operating profit totaled €371 million, up 18.4% on 2014, mainly reflecting the improvement in ORfA. Other income and expense stood at -€25 million (-€21 million in 2014), notably including costs and provisions linked to enhancing competitiveness in Brazil and to the workforce reduction plan in Lourdes.

At -€48 million, net financial expense improved slightly on 2014 (-€49 million), with a significant reduction in interest expense (-€27 million, compared with -€31 million in 2014) along with an increase in other financial expense, notably comprising unfavorable currency translation adjustments.

Consequently, net profit came to €206 million (+21.2%) after a tax expense of €82 million, corresponding to an effective tax rate of 25.5% (26.9% in 2014), and non-controlling interests of €35 million, which rose year on year as a result of the continuous improvement in Supor performance in China and the re-evaluation of the yuan.

* *At constant currencies and scope of consolidation.*

Balance sheet

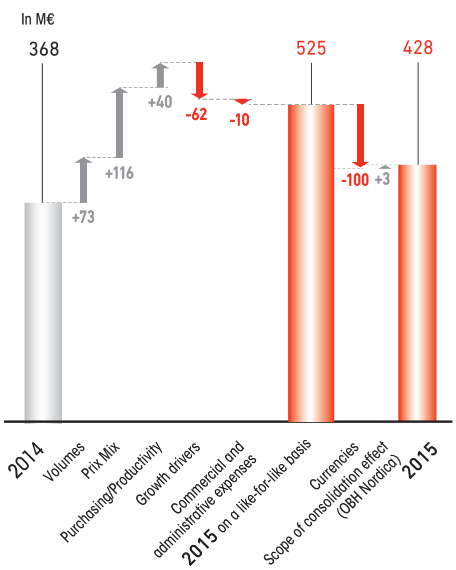
At 31 December 2015, **equity stood** at €1,908 million, up €183 million year on year mainly owing to the profit generated in 2015 and positive currency adjustments worth around €50 million (with the favorable effects of the Chinese yuan and US dollar outweighing the unfavorable effects of the Brazilian real, Colombian peso and Turkish lira).

Net debt at 31 December 2015 amounted to €316 million, down €137 million on last year. That substantial reduction resulted from the generation of strong operating cash flow of €257 million (€175 million in 2014).

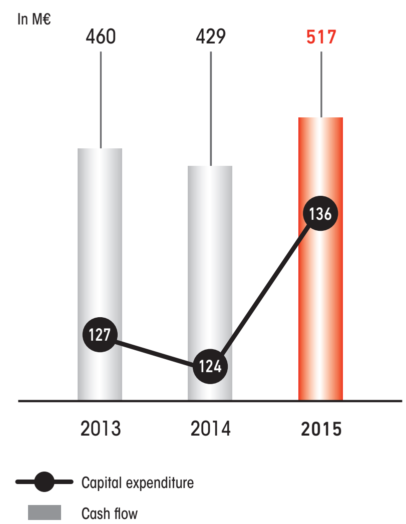
The working capital requirement increased in value due to the strong growth in business activity, but improved in ratio terms (21.0% of sales versus 22.4% at the end of 2014). The Group ended 2015 with a gearing of 17% (26% at end-2014) and a debt/EBITDA ratio of 0.6 (compared with 1.0 at 31 December 2014), further strengthening its financial structure, based on a diversified financing architecture, reinforced by the bond issue in November 2015.

Capital expenditures totalled €136 million, slightly higher than 2014 levels (€124 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.

+ BREAKDOWN OF OPERATING RESULT FROM ACTIVITY



+ CASH FLOW AND CAPITAL EXPENDITURE



4.4. OUTLOOK

Fiscal year 2015 concluded with excellent performances, both in terms of organic growth in sales and improvement in results.

The first few weeks of 2016 attest to the fact that the global macro-economic environment will remain highly contrasted from one geographical region to the next. Groupe SEB expects demand to remain well oriented in Europe and in China, more subdued in the United States, and anticipates a situation which is likely to remain highly deteriorated in Russia and Brazil.

The Group also expects a continued unfavorable forex configuration in 2016, with its two main purchasing currencies, the dollar and the yuan, having appreciated considerably in 2015 - leading to less favorable hedging rates -, while several emerging currencies depreciated significantly. Together, these factors should translate into a sharply negative currency impact on revenue and on Operating Result from Activity (on which it is currently estimated at around €130-140 million). As in 2015, Groupe SEB will endeavor to more than offset these negative effects by harnessing innovation, the Group's worldwide presence, a proactive pricing policy, strong advertising and marketing investments, together with the competitiveness and flexibility of its manufacturing base and structures.

In this context, Groupe SEB's objective in 2016 is to once again achieve organic growth in its sales and, despite an ongoing adverse currency effect, ensure a new increase in its Operating Result from Activity.