

## Press Release

### Results for Financial Year 2008

On February 26<sup>th</sup> 2009, the Supervisory Board of Somfy examined the annual accounts for the company and its subsidiaries for the year ending on December 31<sup>st</sup> 2008.

<b>Consolidated figures</b> <i>in € million</i>	FY 2008	FY 2007	Change 2008/07
Sales	749.4	720.2	+4.0%
Operating current income	123.9	132.3	-6.4%
Non current items	(2.8)	(1.2)	Ns
Operating income	121.1	131.2	-7.7%
Income before income tax	108.6	129.7	-16.2%
Income tax	(24.1)	(38.8)	-38.0%
Share of associate companies' earnings	1.9	13.1	NS
Net income	86.4	103.9	-16.8%
Net income excluding contribution from Faac	86.4	93.2	-7.3%
Cash flow from operating activities	123.9	119.7	+3.5%

*Notes: Somfy is currently organised into two separate branches: Somfy Activities is dedicated to the Group's core business of automating openings and closures in residential and commercial buildings; Somfy Participations is dedicated to investing and participating in industrial companies outside the core business of the Group*

*Faac was withdrawn from the group's consolidated scope on January 1<sup>st</sup> 2008 and is now recorded as a capital asset available for sale.*

*The companies Zurflüh Feller, Ciat and Sirem, respectively 100%, 40% and 87,5% owned, became part of the consolidated scope during the second half of 2008.*

### Sales

Group sales reached €749.4M for the year just ended, an increase of 4.0% in real terms and of 1.2% at constant rates and on like for like.

. Sales for Somfy Activities came to €691.0M. For the full year, this represents an increase of 1.0% for comparable data with a decline from first half to second half as a result of the slowdown in the construction market in several countries.

The downturn was particularly felt in North and South Europe, which were down respectively by 4.9% and 0.5%, and in America, although growth there remained positive at +1.1%.

On the other hand, growth continued to be strong in some emerging markets: Asia-Pacific and East and Central Europe were up respectively by 6.3% and 12.0% for the year.

France ended the year on a 2.5% rise and Germany, after getting back to growth in the last months, was down by 1.6% on the year.

Overall, the negative trend on the group's markets intensified in the last quarter with sales down by 4.8%.



. Somfy Participations made significant investments in 2008. Turnover at €58.4M includes Cotherm (12 months), and the newly consolidated companies Zurflüh Feller (six months) and Sirem (three months). The share of Ciat (40%) is equity accounted and its turnover (€365.8M in 2008) does not contribute in the Group sales.

## Results

Group operating current income for the year went from €132.3M to €123.9M, accounting for 16.5% of sales.

**Somfy Activities** current operating result is down by 9.1% to €117.6M:

> Gross margin rate is up, even though raw material price decreases did not take effect until the end of the year and sale prices were down by 2%. The growing volumes in overseas production sites, increased sourcing in low cost countries and a better product mix (higher share for radio) have been the main drivers of this improvement.

> In spite of this, in a low growth context, increases in fixed costs (depreciation and labor) due to the deferred impact of investments and recruiting for the sales and product development teams in 2007, could not be totally compensated.

. **Somfy Participations** operating current income is €6.3M, against €2.9M the previous year, benefiting from the consolidation of Zurflüh Feller and Sirem, and the growth in income at Cotherm.

Taking out Faac's contribution in 2007 (€10.7M), company deconsolidated in 2008, the consolidated net income is down by 7.9% to €85.8M. This takes into account an increase in financial charges, attributable to increased debt and to the volatility of hedging instruments, and a reduced tax burden.

The reduced tax rate is mainly due to the increase in business outside Europe and lower tax rates in Germany and Italy.

Before investments, the group continues to generate cash substantially, with cash flows from operating activities increasing by €4.2M to €123.9M

## Financial situation

Industrial and financial investments for the year reached €193.8M. They correspond in large part to the shares bought in Ciat and Sirem, the acquisition of Zurflüh Feller and the increased stake taken in Agta Record. They were financed partly by internal resources with the balance covered by MT borrowings.

Net debts thus stand at €76.4M at the end of December. As such they represent 11.4% of equity, a figure that testifies to the Group's solid balance sheet. .

## Dividends

Considering the current uncertain context, the Board will propose to the forthcoming Shareholders' Meeting the distribution of dividends of €4.80 per share, 13% less than the previous year.

## **Outlook**

In the current climate the company plans to intensify its policy of adapting costs and optimising processes and to pursue its strategy of consolidating existing positions and conquering new markets.

. Actions undertaken in Somfy Activities, right from the first signs of the slowdown, are testimony to the company's determination to control and adjust costs (hiring freeze in France, non renewal of many temporary work contracts in Europe). There is however a notable exception: marketing and R&D budgets are maintained at high levels to enable the company to strengthen its leadership position, particularly in high growth segments like energy saving, and so to come out of the crisis even stronger. Likewise, the strong balance sheet means the company can pursue necessary investments and plan for operations of external growth that will extend its product portfolio and its sales distribution networks.

. The objective for Somfy Participations is to add value to the portfolio of existing participations and to pursue an active, value creating investment policy that targets industrial companies where the group understands the business model and shares the same values. The short-term priority will be to integrate recently acquired companies and to set up the necessary management and control systems.

*27 February 2009*

## **Profile**

*Somfy Activities is the world leader in motors and controls for openings and closures in residential and commercial buildings. In percentage of sales in 2008, its main markets are France (29%), Southern Europe (20%), Germany (14%), Northern Europe (13%) and America (9%).*

## **Agenda**

*Publication of first quarter sales: 24 April 2009*

## **Contacts**

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