



# Half-Year Financial Report

End of June 2011



**Somfy SA**

Limited company with share capital of €7,836,800

Registered office:

50 avenue du Nouveau Monde – 74 300 Cluses – France

Registration number: 476 980 362 RCS Annecy

# A – CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## I – CONSOLIDATED INCOME STATEMENT

€ thousands	Notes	30/06/11 HY1	30/06/10 HY1	31/12/10 FY
Sales		501,188	439,869	852,606
Other operating income		5,832	5,809	10,809
Cost of sales		-172,228	-138,157	-277,941
Employee expenses		-144,807	-130,946	-257,961
External expenses		-83,178	-71,424	-152,113
<b>EBITDA</b>		<b>106,807</b>	<b>105,150</b>	<b>175,400</b>
Amortisation and depreciation charges*		-17,289	-16,869	-35,809
Charges/reversals to current provisions		26	-68	505
Gains and losses on disposal of current operating assets		-156	-511	-1,462
<b>CURRENT OPERATING RESULT</b>		<b>89,387</b>	<b>87,701</b>	<b>138,634</b>
Other operating income and expenses	(1)	-535	-2,063	-540
Impairment of goodwill	(6)	-3,600	-1,591	-6,003
<b>OPERATING RESULT</b>		<b>85,252</b>	<b>84,047</b>	<b>132,092</b>
– Financial income from investments		3,816	3,183	6,066
– Financial expenses related to borrowings		-3,018	-3,857	-6,239
Cost of net financial debt		798	-674	-173
Other financial income and expenses		66,028	6,854	4,925
<b>NET FINANCIAL INCOME</b>	<b>(2)</b>	<b>66,825</b>	<b>6,180</b>	<b>4,752</b>
<b>PROFIT BEFORE TAX</b>		<b>152,077</b>	<b>90,227</b>	<b>136,844</b>
Income tax	(3)	-20,212	-19,964	-29,104
Share of profit of equity-accounted companies	(9)	-926	-7,708	-11,585
<b>NET PROFIT</b>		<b>130,939</b>	<b>62,555</b>	<b>96,155</b>
attributable to: Group share		130,365	62,316	95,439
Non-controlling interests		574	239	716
<b>Basic earnings per share (€)</b>	<b>(4)</b>	<b>17.14</b>	<b>8.21</b>	<b>12.55</b>
<b>Diluted earnings per share (€)</b>	<b>(4)</b>	<b>17.06</b>	<b>8.14</b>	<b>12.46</b>

\* Including amortisation charges relative to intangible assets allocated following acquisitions.

## II – STATEMENT OF COMPREHENSIVE INCOME

€ thousands	30/06/11	30/06/10
Net profit for the period	130,939	62,555
Movement in gains and losses on translation of foreign currency	-5,664	6,619
Movement in fair value of available-for-sale assets	-64,068	4,614
Movement in fair value of interest rate hedgings	668	-710
Movement in fair value of foreign currency hedgings	691	-
Movement in actuarial gains and losses	-	-
Movement in tax on income and expenses recognised directly in reserves	-543	-1,483
<b>Other items of comprehensive income directly recognised in equity</b>	<b>-68,916</b>	<b>9,040</b>
<b>Comprehensive income for the period (1)</b>	<b>62,024</b>	<b>71,595</b>
Attributable to: Group share	61,439	71,369
Non-controlling interests (1)	585	226

(1) The difference in the net profit with the statement of changes in equity is due to the variation in the value of the put options granted to non-controlling interests: €516 thousand at 30 June 2011 and €269 thousand at 30 June 2010.

### III – CONSOLIDATED BALANCE SHEET

ASSETS			
€ thousands	Notes	30/06/11 Net	31/12/10* Net
<b>Non-current assets</b>			
Goodwill	(6)	228,783	238,104
Intangible assets	(7)	56,338	56,474
Property, plant and equipment	(8)	207,340	204,132
Equity-accounted companies	(9)	49,509	48,625
Financial assets	(10)	218,853	205,071
Other receivables	(11)	10,028	807
Deferred tax assets		24,832	24,472
Employee benefits		33	57
Derivative instruments		–	–
<b>Total Non-current assets</b>		<b>795,716</b>	<b>777,742</b>
<b>Current assets</b>			
Inventory	(12)	140,441	118,576
Trade receivables		195,716	142,123
Other receivables		22,790	15,795
Current tax assets		4,465	4,030
Financial assets	(10)	1,579	1,902
Derivative instruments		–	–
Cash and cash equivalents		73,399	86,993
<b>Total Current assets</b>		<b>438,390</b>	<b>369,416</b>
Assets held for sale		–	109,848
<b>TOTAL ASSETS</b>		<b>1,234,106</b>	<b>1,257,006</b>

\* Data at 31 December 2010 was restated for adjustments on the financial statements of Dooya (2010 acquisition).

EQUITY AND LIABILITIES			
€ thousands	Notes	30/06/11	31/12/10*
<b>Shareholders' equity</b>			
Share capital		7,837	7,837
Share premium		1,866	1,866
Other reserves		680,735	698,237
Net profit for the period		130,365	95,439
<b>Group share</b>		<b>820,803</b>	<b>803,379</b>
Non-controlling interests		120	111
<b>Total Shareholders' equity</b>		<b>820,923</b>	<b>803,490</b>
<b>Non-current liabilities</b>			
Non-current provisions	(13)	8,454	8,543
Other financial liabilities	(14)	103,281	103,663
Other liabilities		47	43
Employee benefits		14,575	14,632
Deferred tax liabilities		50,799	50,807
Derivative instruments		2,054	3,210
<b>Total Non-current liabilities</b>		<b>179,211</b>	<b>180,898</b>
<b>Current liabilities</b>			
Current provisions	(13)	8,493	8,669
Other financial liabilities	(14)	27,627	86,345
Trade payables		106,393	89,907
Other liabilities		79,250	72,845
Tax liabilities		11,741	13,350
Derivative instruments		468	1,506
<b>Total Current liabilities</b>		<b>233,972</b>	<b>272,618</b>
<b>TOTAL LIABILITIES</b>		<b>1,234,106</b>	<b>1,257,006</b>

\* Data at 31 December 2010 was restated for adjustments on the financial statements of Dooya (2010 acquisition).

## IV – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ thousands	Capital (1)	Share premium	Treasury shares	Gain/loss on available-for-sale assets	Actuarial differences	Interest rates hedgings	Foreign currency hedgings	Deferred tax	Changes in foreign exchange rates	Consolidated reserves and net profit	Total shareholders' equity	Non-controlling interests	Total shareholders' equity (Group share)
<b>AT 31 DECEMBER 2010</b>	<b>7,837</b>	<b>1,866</b>	<b>-39,303</b>	<b>67,938</b>	<b>-2,920</b>	<b>-1,119</b>	<b>-1,073</b>	<b>-100</b>	<b>1,771</b>	<b>768,594</b>	<b>803,490</b>	<b>111</b>	<b>803,379</b>
Income and expenses recorded during the period	-	-	-	-64,068	-	668	691	-543	-5,664	130,424	61,508	69	61,439
Treasury share transactions	-	-	202	-	-	-	-	-	-	730	932	-	932
Dividends	-	-	-	-	-	-	-	-	-	-39,583	-39,583	-	-39,583
Other movements (2)	-	-	-	-	-	-	-	-	-	-5,425	-5,425	-61	-5,364
<b>AT 30 JUNE 2011</b>	<b>7,837</b>	<b>1,866</b>	<b>-39,101</b>	<b>3,870</b>	<b>-2,920</b>	<b>-451</b>	<b>-382</b>	<b>-643</b>	<b>-3,893</b>	<b>854,740</b>	<b>820,923</b>	<b>120</b>	<b>820,803</b>

(1) Share capital is comprised of 7,836,800 shares with a par value of €1. No change occurred during the first half-year 2011.

(2) Changes in consolidation scope, foreign exchange gains and losses on equity transactions.

€ thousands	Capital (1)	Share premium	Treasury shares	Gain/loss on available-for-sale assets	Actuarial differences	Interest rates hedgings	Foreign currency hedgings	Deferred tax	Changes in foreign exchange rates	Consolidated reserves and net profit	Total shareholders' equity	Non-controlling interests	Total shareholders' equity (Group share)
<b>AT 31 DECEMBER 2009</b>	<b>7,837</b>	<b>1,866</b>	<b>-40,875</b>	<b>20,073</b>	<b>-1,099</b>	<b>-1,044</b>	<b>0</b>	<b>2,442</b>	<b>-3,935</b>	<b>733,963</b>	<b>719,227</b>	<b>-12</b>	<b>719,239</b>
Income and expenses recorded during the period	-	-	-	4,614	-	-710	-	-1,483	6,619	62,286	71,326	-43	71,369
Treasury share transactions	-	-	164	-	-	-	-	-	-	226	390	-	390
Dividends	-	-	-	-	-	-	-	-	-	-36,454	-36,454	-	-36,454
Other movements (2)	-	-	-	-	-	-	-	-	-	13	13	-1	14
<b>AT 30 JUNE 2010</b>	<b>7,837</b>	<b>1,866</b>	<b>-40,711</b>	<b>24,687</b>	<b>-1,099</b>	<b>-1,754</b>	<b>0</b>	<b>959</b>	<b>2,684</b>	<b>760,033</b>	<b>754,502</b>	<b>-56</b>	<b>754,558</b>

(1) Share capital is comprised of 7,836,800 shares with a par value of €1. No change occurred during the first half-year 2010.

(2) Changes in consolidation scope, foreign exchange gains and losses on equity transactions.

## V – CONSOLIDATED CASH FLOW STATEMENT

€ thousands	Notes	30/06/11 HY1	30/06/10 HY1	31/12/10 FY
<b>Consolidated net profit</b>		<b>130,939</b>	<b>62,555</b>	<b>96,155</b>
Depreciation and amortisation of assets (excluding current assets)		20,484	18,443	45,284
Charges to and reversals of provisions for liabilities		-52	-631	-1,045
Unrealised gains and losses related to fair value movements		-831	2,568	-107
Unrealised foreign exchange gains and losses		2,132	-4,058	-1,131
Income and expenses related to stock options and employee benefits		1,833	1,596	3,478
<b>Depreciation, amortisation, provisions and other non-cash items</b>		<b>23,565</b>	<b>17,918</b>	<b>46,479</b>
Profit on disposal of assets and others		-62,691	1,769	-29
Share of net profit of associates		926	7,708	11,585
Deferred tax expense		-891	-277	-4,836
<b>Cash flow</b>		<b>91,849</b>	<b>89,673</b>	<b>149,354</b>
Cost of net financial debt (excluding non-cash items)		-350	355	233
Dividends of non-consolidated companies		-4,590	-6,577	-6,578
Tax expense (excluding deferred tax)		21,102	20,240	33,941
Change in working capital requirements	(16)	-60,393	-30,760	-7,187
Tax paid		-23,348	-3,424	-16,166
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>24,270</b>	<b>69,508</b>	<b>153,597</b>
Acquisition-related disbursements:				
– intangible assets and property, plant and equipment		-18,079	-16,051	-30,338
– non-current financial assets		-15,410	-2,408	-3,962
Disposal-related proceeds:				
– intangible assets and property, plant and equipment		362	107	512
– non-current financial assets		100,194	91	17
Change in current financial assets		143	668	1,194
Acquisition of companies, net of cash acquired	(5)	-3,269	-6,015	-100,039
Disposal of companies, net of cash disposed		-	-	-4,858
Dividends paid by equity-accounted companies		20	-	372
Dividends paid by non-consolidated companies		-	1,257	6,578
Interest received		478	250	766
<b>CASH FLOW USED IN INVESTING ACTIVITIES (B)</b>		<b>64,438</b>	<b>-22,101</b>	<b>-129,757</b>
Increase in loans		275	10,211	50,724
Reimbursement of loans		-60,632	-9,049	-20,552
Net increase in share capital of subsidiaries		-	-	673
Dividends paid		-39,583	-36,454	-36,454
Movement in treasury shares		748	228	2,207
Interest paid		-2,710	-2,826	-5,519
<b>CASH FLOW USED IN FINANCING ACTIVITIES (C)</b>		<b>-101,902</b>	<b>-37,890</b>	<b>-8,921</b>
Impact of changes in foreign exchange rates on cash and cash equivalents (D)		-1,998	2,754	3,027
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)</b>		<b>-15,192</b>	<b>12,271</b>	<b>17,945</b>
<b>CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD</b>	(16)	<b>84,919</b>	<b>66,974</b>	<b>66,974</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	(16)	<b>69,727</b>	<b>79,245</b>	<b>84,919</b>

## VI – NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. APPROVAL OF FINANCIAL STATEMENTS

On 30 August 2011, the Supervisory Board reviewed Somfy group's condensed consolidated financial statements at 30 June 2011.

### 2. HIGHLIGHTS

- **Somfy Activities** wrote down the goodwill of **O&O**. The outlook for **O&O**, a subsidiary of BFT SpA that produces lifting gates, rising bollards and automated sliding doors has deteriorated compared to the acquisition business plan. About half of the value of the goodwill was written down, i.e. €3.6 million.

- At the start of February 2011, **Somfy Participations** sold its 32.95% equity investment in the share capital of **agta record** to Assa Abloy. The transaction price was €109.8 million, of which €101.1 million has already been collected. The balance of €8.7 million is payable within two years. The €63.0 million capital gain, net of expenses, was recognised as financial income for the period.

- The part disposal of the assets of **Parquets Marty**, which had then filed for bankruptcy, was decided on 12 July 2011 by the Commercial Court of Agen. This **Somfy Participations** investment is equity-accounted. Somfy group wrote down the assets it held in Parquets Marty group, resulting in a negative impact of €1.2 million in the share of profit of equity-accounted companies at 30 June 2011.

### 3. CHANGES IN CONSOLIDATION SCOPE

- **Somfy Activities** acquired the distributor **BFT Gulf** in Dubai, through its subsidiary BFT SpA. Somfy acquired the entire capital at a price of €2.6 million. This acquisition gave rise to the recognition of an earn-out estimated at €0.8 million and generated goodwill of €2.9 million, €0.6 million of which was attributed to customer relationships. This company was consolidated from the date of acquisition (mid-April 2011) and contributed €1.2 million to Group sales.

These amounts are liable to change during the allocation period.

- In early May 2011, **Somfy Activities** made an equity investment of 40% in the capital of **Storm** for €0.3 million. This company is equity-accounted and is specialised in gate motorisation. A mutual call/put option was included in the contract for 2013, in relation to the remaining 60% of the capital.

Storm had a carrying value of €0.3 million at 30 June 2011.

- In mid-May 2011, **Somfy Activities** finalised an agreement with the shareholders of Brazilian company **Garen Automação**, the South-American leader for the automation of doors and gates. The first step of Somfy's commitment will only be reflected in the subscription to convertible and standard bonds issued by Garen, for €11.2 million and €2.7 million, respectively, which may eventually enable the Group to take control of Garen by 2016.

- **Somfy Activities** acquired 40% of **BFT GmbH** through its subsidiary BFT SpA, for an amount of €0.5 million, and now fully owns this company.

- **Somfy Activities** also exercised its call option to acquire 20% of the capital of **BFT Piemonte** through its subsidiary BFT SpA, for an amount of €0.2 million, thereby increasing its equity holding to 90%. There remains a mutual put/call option for the acquisition of the residual 10%, estimated at €0.1 million.

### 4. ACCOUNTING RULES AND METHODS

#### 4.1 New applicable standards and interpretations

The interim financial statements at 30 June 2011 were prepared in accordance with the principles of IAS 34 "Interim financial reporting". Accounting rules and methods are identical to those used in the preparation of the consolidated financial statements at 31 December 2010, except for the following standards, amendments and interpretations adopted by the European Union the application of which is compulsory for the 2011 financial year, which had no impact on the Group's interim financial statements:

- Revised IAS 24 "Related party disclosures",
- Amendments to IAS 32 "Financial instruments – Classification of rights issues",
- Improvements to IFRS (May 2010),
- IFRIC 19 interpretation "Extinguishing financial liabilities with equity instruments",
- IFRIC 14 interpretation "Prepayments of a minimum funding requirement".

The following standards have been published by the IASB but have not yet been adopted by the European Union:

- IFRS 9 "Financial instruments" applicable from 1 January 2013,
- IAS 27 "Separate financial statements" applicable from 1 January 2013,
- IAS 28 "Investments in associates and joint ventures" applicable from 1 January 2013,
- IFRS 10 "Consolidated financial statements" applicable from 1 January 2013,
- IFRS 11 "Joint arrangements" applicable from 1 January 2013,
- IFRS 12 "Disclosure of interests in other entities" applicable from 1 January 2013,
- IFRS 13 "Fair value measurement" applicable from 1 January 2013,



- IAS 19 “Employee benefits” applicable from 1 January 2013,
- Amendments to IFRS 7 “Disclosures – Transfers of financial assets” applicable from 1 July 2011,
- Amendments to IAS 12 “Deferred tax – Recovery of underlying assets” applicable from 1 January 2012,
- Amendments to IAS 1 “Presentation of items of other comprehensive income” applicable from 1 July 2012.

The interim consolidated financial statements, presented in a condensed format, do not contain all disclosures and notes included in full-year financial statements. As a result, they must be read in conjunction with the Group’s consolidated financial statements at 31 December 2010.

The Group’s consolidated financial statements for the year ended 31 December 2010 are available from the Group’s website: [www.somfyfinance.com](http://www.somfyfinance.com) and upon request from head office.

## 5. SEASONALITY

Somfy group typically achieves more than 50% of its sales in the first half of the year.

## VII. SEGMENT REPORTING

The Group is organised in two divisions:

- **Somfy Activities**, which includes the companies whose operations come within the scope of Somfy’s three traditional businesses, «Shutter & Awning», «Window & Blind» and «Door & Gate»;
- **Somfy Participations**, which is dedicated to investing in industrial companies outside Somfy’s core business. This division holds interests in Cotherm, FAAC, Gaviota Simbac, Zurflüh-Feller, CIAT, Sirem, Babeau-Seguin and DMH, the holding company of Parquets Marty.

Several operating segments are monitored under the Somfy Activities division. However, in accordance with the combination criteria defined by IFRS 8, they were grouped together into one segment for presentation purposes.

No difference exists between the accounting policies applied by the segments presented and the accounting policies applied by the Group.

### At 30 June 2011

€ thousands	Somfy Activities	Somfy Participations	Other*	Inter-segment	Consolidated
Segment sales	441,949	60,592	–	–1,353	501,188
Segment profit (current operating result)	84,392	5,058	–63	–	89,387
Share of net profit of equity-accounted companies	–340	–586	–	–	–926
Cash flow	79,215	13,486	–852	–	91,849
Intangible asset and PPE investments	18,161	3,103	–	–	21,264
Goodwill	194,714	34,069	–	–	228,783
Net intangible assets and PPE	203,884	59,794	–	–	263,678
Non-consolidated investments	66	138,586	–	–	138,652
Equity-accounted companies	1,957	47,551	–	–	49,509

\* The column “Other” includes income and expenses which may not be attributed to either Somfy Activities or to Somfy Participations.

**At 30 June 2010**

€ thousands	Somfy Activities	Somfy Participations	Other*	Inter-segment	Consolidated
Segment sales	385,072	55,701	–	–905	439,869
Segment profit (current operating result)	80,751	7,014	–64	–	87,701
Share of net profit of equity-accounted companies	–456	–7,252	–	–	–7,708
Cash flow	73,771	16,090	–188	–	89,673
Intangible asset and PPE investments	13,818	1,542	–	–	15,360
Goodwill	114,258	35,393	–	–	149,651
Net intangible assets and PPE	201,419	62,188	–	–	263,607
Non-consolidated investments	184	203,399	–	–	203,583
Equity-accounted companies	1,343	49,694	–	–	51,037

\* The column "Other" includes income and expenses which may not be attributed to either Somfy Activities or to Somfy Participations.

**At 31 December 2010**

€ thousands	Somfy Activities	Somfy Participations	Other*	Inter-segment	Consolidated
Segment sales	747,451	107,221	–	–2,066	852,606
Segment profit (current operating result)	128,055	10,684	–105	–	138,634
Share of net profit of equity-accounted companies	–134	–11,450	–	–	–11,585
Cash flow	128,020	24,042	–2,708	–	149,354
Intangible asset and PPE investments	25,469	4,388	–	–	29,857
Goodwill	203,852	34,252	–	–	238,104
Net intangible assets and PPE	199,717	60,888	–	–	260,606
Non-consolidated investments	67	137,226	–	–	137,293
Equity-accounted companies	1,470	47,155	–	–	48,625

\* The column "Other" includes income and expenses which may not be attributed to either Somfy Activities or to Somfy Participations.

**Net intangible assets and property, plant and equipment by asset location**

€ thousands	30/06/11	30/06/10	31/12/10
France	109,765	116,610	109,830
Germany	7,741	8,240	7,889
Northern Europe	3,415	2,867	3,308
Eastern and Central Europe	2,275	2,188	2,261
Southern Europe, Middle East and Africa	64,408	61,522	61,063
Asia Pacific	11,783	4,413	10,361
Americas	4,497	5,579	5,005
<b>SOMFY ACTIVITIES</b>	<b>203,884</b>	<b>201,419</b>	<b>199,717</b>
Somfy Participations	59,794	62,188	60,888
<b>CONSOLIDATED SOMFY</b>	<b>263,678</b>	<b>263,607</b>	<b>260,606</b>

## Sales by customers' location

€ thousands	30/06/11 HY1	30/06/10 HY1	Variance N/N-1	Variance N/N-1 like-for-like	31/12/10 FY
France	131,933	119,748	10.2%	10.0%	225,584
Germany	66,303	54,954	20.7%	17.4%	113,562
Northern Europe	53,762	49,863	7.8%	5.3%	88,775
Eastern and Central Europe	34,558	27,249	26.8%	16.4%	60,407
Southern Europe, Middle East and Africa	85,822	77,630	10.6%	0.9%	143,214
Asia Pacific	32,645	22,723	43.7%	5.7%	52,102
Americas	36,930	32,904	12.2%	9.7%	63,807
<b>SOMFY ACTIVITIES</b>	<b>441,949</b>	<b>385,072</b>	<b>14.8%</b>	<b>8.8%</b>	<b>747,451</b>
<b>SOMFY PARTICIPATIONS</b>	<b>60,592</b>	<b>55,701</b>	<b>8.8%</b>	<b>8.8%</b>	<b>107,221</b>
Intra-group sales	-1,353	-905	49.4%	49.5%	-2,066
<b>CONSOLIDATED SOMFY</b>	<b>501,188</b>	<b>439,869</b>	<b>13.9%</b>	<b>8.7%</b>	<b>852,606</b>

Sales distribution by customers' location is information very widely used within the Somfy group.

## VIII – NOTES TO THE FINANCIAL STATEMENTS

### 1. OTHER OPERATING INCOME AND EXPENSES

€ thousands	30/06/11 HY1	30/06/10 HY1	31/12/10 FY
Charges/reversal to non-current provisions	1,587	162	2,059
Other non-current items	-1,931	-2,210	-4,091
– Non-current income	311	535	841
– Non-current expense	-2,242	-2,745	-4,932
Net gain on disposal of assets	-191	-15	1,492
<b>OTHER OPERATING INCOME AND EXPENSES</b>	<b>-535</b>	<b>-2,063</b>	<b>-540</b>

Note: for the half-year to 30 June 2010, other operating income and expenses included a negative impact of €1.6 million related to residual net costs of restructuring the manufacturing capacity, including €0.9 million related to the Bologna site in Italy, which started its restructuring early in 2010.

### 2. NET FINANCIAL INCOME

€ thousands	30/06/11 HY1	30/06/10 HY1	31/12/10 FY
Cost of net financial debt	798	-674	-173
– Financial income from investments	3,816	3,183	6,066
– Financial expenses related to borrowings	-3,018	-3,857	-6,239
Effect of foreign currency translation	-1,603	262	-1,672
Other	67,631	6,592	6,597
<b>NET FINANCIAL INCOME</b>	<b>66,825</b>	<b>6,180</b>	<b>4,752</b>

For the half-year to 30 June 2011, the "Other" caption of financial income included the €63.0 million capital gain on the disposal of agta record and €4.6 million in dividends from FAAC.

For the half-year to 30 June 2010, dividends from FAAC and agta record totalled €6.6 million.

### 3. INCOME TAXES

€ thousands	30/06/11 HY1	30/06/10 HY1	31/12/10 FY
Profit before tax	152,077	90,227	136,844
Expenses on dividends	2,828	2,828	2,799
Dividends from non-consolidated companies	-4,590	-6,577	-6,577
agta record capital gain net of share of expenses**	-60,865	-	-
Other	3,778	834	6,773
Permanent differences	-58,849	-2,915	2,995
Net profit taxed at reduced rate*	-10,677	-8,001	-17,400
Net profit taxable at standard rate	82,551	79,311	122,439
Tax rate in France	34.40%	34.40%	34.40%
Tax charge recalculated at the French standard rate	28,398	27,283	42,119
Tax at reduced rate*	1,666	1,240	2,663
Difference in standard rate in foreign countries	-11,682	-11,291	-20,288
Tax losses for the year, unrecognised in previous periods, deficits used	1,739	879	668
Effect of the rate difference	-9,943	-10,412	-19,620
Tax credits	-1,039	-786	-1,260
Other taxes and miscellaneous	1,130	2,639	5,202
Group tax	20,212	19,964	29,104
Effective rate	13.29%	22.13%	21.27%

\* Royalties taxes at reduced rate (15.6%).

\*\* Taxation of agta record capital gain: 0%, as the shares were held for more than 2 years.

### 4. EARNINGS PER SHARE

Earnings per share	30/06/11 HY1	30/06/10 HY1	31/12/10 FY
Net profit - Group share (€ thousands)	130,365	62,316	95,439
Total number of shares (1)	7,836,800	7,836,800	7,836,800
Treasury shares* (2)	228,999	248,154	233,231
Number of shares used in calculation (1) - (2)	7,607,801	7,588,646	7,603,569
<b>BASIC EARNINGS PER SHARE (€)</b>	<b>17.14</b>	<b>8.21</b>	<b>12.55</b>

\* Representing the total treasury shares held by Somfy SA.

Diluted earnings per share	30/06/11 HY1	30/06/10 HY1	31/12/10 FY
Net profit - Group share (€ thousands)	130,365	62,316	95,439
Total number of shares (1)	7,836,800	7,836,800	7,836,800
Treasury shares** (2)	196,692	177,064	174,389
Number of shares used in calculation (1) - (2)	7,640,108	7,659,736	7,662,411
<b>DILUTED EARNINGS PER SHARE (€)</b>	<b>17.06</b>	<b>8.14</b>	<b>12.46</b>

\*\* Excluding treasury shares allocated to share option plans.

Treasury shares acquired by Somfy SA and allocated to share option plans at the balance sheet date contribute towards diluted earnings per share.

## 5. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

### Acquisitions during the first half-year 2011

- Acquisition of **BFT Gulf** for €2.6 million
- 40% equity investment in the capital of **Storm** for €0.3 million
- Acquisition of 40% of the capital of **BFT GmbH** for €0.5 million, to increase the equity holding to 100%
- Acquisition of 20% of the capital of **BFT Piemonte** for €0.2 million, to increase the equity holding to 90%

The fair value of the identifiable assets and liabilities of these companies at the acquisition date was virtually identical to their net book value. These values are liable to change during the allocation period.

The table below lists the assets and liabilities of companies acquired during the period:

€ thousands	Fair value recognised at the date of acquisition
Goodwill	2,406
Net intangible assets	641
Net property, plant and equipment	61
Net financial assets	–
Other non-current receivables	–
Deferred tax assets	–
Inventory	1,260
Trade receivables	99
Other current receivables	14
Other current financial assets	–
Cash and cash equivalents net	325
Tax receivable	–
Non-current provisions	–
Other non-current financial liabilities	–380
Other non-current liabilities	–
Employee benefits	–
Deferred tax liabilities	–
Current provisions	–
Other current financial liabilities	–383
Trade payables	–1,394
Other current liabilities	–26
Current tax liabilities	–
Equity-accounted companies	308
Non-controlling interests & acquisition of non-controlling interests	663
<b>Acquisition cost</b>	<b>3,594</b>
Less: cash acquired	–325
<b>Total</b>	<b>3,269</b>
Other funding	–
<b>CASH FLOW FROM ACQUISITIONS, NET OF CASH ACQUIRED</b>	<b>3,269</b>
(+) Cash outflow	

## Acquisition during the 2010 financial year

In accordance with IFRS 3, the allocation of the **Dooya** acquisition goodwill had been carried out provisionally in the 2010 financial statements. Additional allocation work is being carried out.

The balance sheet at 31 December 2010 was restated for adjustments to the financial statements of Dooya, with the following impacts:

€ thousands	Shareholders' equity before restatements	Restatements	Shareholders' equity after restatements
Net intangible assets	3,388	–	3,388
Net property, plant and equipment	2,663	–	2,663
Net financial assets	–	–	–
Deferred tax assets	238	–163	76
Inventory	6,608	–1,145	5,464
Trade receivables	596	121	717
Other current receivables	2,105	–	2,105
Current financial assets	–	–	–
Cash and cash equivalents net	9,310	–54	9,256
Non-current and current provisions	–145	13	–132
Employee benefits	–	–	–
Deferred tax liabilities	–	–	–
Non-current and current financial liabilities	–28,905	–	–28,905
Trade payables	–7,299	–	–7,299
Other non-current and current liabilities	–8,485	1,354	–7,131
Non-controlling interests	25,884	–	25,884
	<b>5,958</b>	<b>127</b>	<b>6,085</b>
	Acquisition price		100,833
	<b>PROVISIONAL GOODWILL</b>		<b>94,748</b>

## 6. GOODWILL

€ thousands	Value
<b>AT 1 JANUARY 2011</b>	<b>238,104</b>
Changes in scope of consolidation	2,406
Changes in foreign exchange rate	–7,964
Other movements	–163
Charge for impairment	–3,600
<b>AT 30 JUNE 2011</b>	<b>228,783</b>

### Impairment test

The outlook for **O&O** has deteriorated compared to the acquisition business plan. About half of the value of the goodwill was written down, i.e. €3.6 million.

The sensitivity of net profit to changes in assumptions, considered on an individual basis, used at the end of June 2011 to determine the value of the O&O CGU revalued equity was as follows:

- a 0.5% decrease in the discount rate would have led to recognising a provision of €3.0 million at 30 June 2011, a 0.5% increase in the discount rate would have led to recognising a provision of €4.1 million;
- a one-percentage point decrease in the EBITDA to sales ratio of the last year used for the calculation of the terminal value would have required a provision of €4.0 million, a one percentage point increase in this ratio would have required a provision of €3.2 million.

No indication of impairment was noted at 30 June 2011 in relation to other Group CGUs.

## 7. INTANGIBLE ASSETS

€ thousands	Allocated intangible assets	Development costs	Patents and brands	Software	Other	In progress and advance payment	Total
Gross value at 1 January	36,522	17,355	6,204	31,352	1,580	4,915	97,928
Additions	–	11	221	789	57	2,530	3,609
Disposals	–	–	–19	–17	–24	–	–60
Effect of change in foreign exchange rates	–474	–1	–197	–64	–7	–3	–745
Change in scope of consolidation	641	–	–	–	–	–	641
Other movements	7	1,062	–1	1,322	24	–2,394	20
<b>AT 30 JUNE 2011</b>	<b>36,696</b>	<b>18,428</b>	<b>6,209</b>	<b>33,382</b>	<b>1,630</b>	<b>5,049</b>	<b>101,393</b>
Accumulated amortisation at 1 January	–6,862	–8,655	–1,243	–23,319	–1,374	0	–41,454
Amortisation charge for the period	–1,142	–1,340	–97	–1,180	–116	–	–3,875
Disposals	–	–	19	6	–	–	25
Effect of change in foreign exchange rates	199	–	5	46	6	–	256
Change in scope of consolidation	–	–	–	–	–	–	0
Other movements	–	–	–551	–7	551	–	–7
<b>AT 30 JUNE 2011</b>	<b>–7,805</b>	<b>–9,995</b>	<b>–1,867</b>	<b>–24,454</b>	<b>–933</b>	<b>0</b>	<b>–45,055</b>
<b>NET AMOUNT AT 30 JUNE 2011</b>	<b>28,891</b>	<b>8,432</b>	<b>4,342</b>	<b>8,928</b>	<b>696</b>	<b>5,049*</b>	<b>56,338</b>

\* Of which €4,371 thousand is in-progress development costs.

## 8. PROPERTY, PLANT AND EQUIPMENT

€ thousands	Land	Buildings	Plant, machinery and tools	Other	In progress and advance payment	Total
Gross value at 1 January	18,411	123,514	230,056	50,463	6,861	429,305
Additions	10	298	5,735	2,721	8,892	17,655
Disposals	–	–17	–1,390	–719	–	–2,125
Effect of change in foreign exchange rates	12	72	–656	–553	–75	–1,200
Change in scope of consolidation	–	–	11	108	–	119
Other movements	158	136	4,260	376	–4,951	–21
<b>AT 30 JUNE 2011</b>	<b>18,591</b>	<b>124,002</b>	<b>238,017</b>	<b>52,396</b>	<b>10,727</b>	<b>443,733</b>
Accumulated depreciation at 1 January	–350	–43,764	–147,833	–33,227	0	–225,173
Depreciation charge for the period	–44	–2,533	–8,238	–2,596	–	–13,411
Disposals	–	9	1,055	579	–	1,643
Effect of change in foreign exchange rates	–	–63	325	338	–	600
Change in scope of consolidation	–	–	–9	–49	–	–58
Other movements	–	–	12	–5	–	7
<b>AT 30 JUNE 2011</b>	<b>–394</b>	<b>–46,350</b>	<b>–154,689</b>	<b>–34,960</b>	<b>0</b>	<b>–236,393</b>
<b>NET AMOUNT AT 30 JUNE 2011</b>	<b>18,197</b>	<b>77,652</b>	<b>83,328</b>	<b>17,436</b>	<b>10,727</b>	<b>207,340</b>

The net book value of property, plant and equipment relating to changes in group structure was €61 thousand.

## 9. EQUITY-ACCOUNTED COMPANIES

€ thousands	30/06/11	31/12/10
Equity-accounted companies at the beginning of the period	48,625	58,647
Change in scope of consolidation*	427	1,908
Share of profit of equity-accounted companies**	648	-5,785
Dividends paid	-186	-372
Changes in foreign exchange rate	-4	27
Charge for impairment***	-	-5,800
<b>EQUITY-ACCOUNTED COMPANIES AT THE END OF THE PERIOD</b>	<b>49,509</b>	<b>48,625</b>

\* Acquisition of 40% of Storm during the first half-year 2011 and 34% of the Marty group in 2010.

\*\* The difference between the share in net profit of equity-accounted companies as shown in the income statement (-€926 thousand) and that shown above is due to the writedown of financial receivables due by equity-accounted companies (-€1.6 million).

\*\*\* Depreciation of the carrying value related to an impairment recognised on CIAT in 2010.

## 10. FINANCIAL ASSETS

€ thousands	30/06/11	31/12/10
Available-for-sale financial assets	138,652	137,293
– Non-consolidated shares	138,652	137,293
Bonds*	71,987	58,110
Loans**	6,856	8,780
Other	2,937	2,791
<b>NON-CURRENT AND CURRENT FINANCIAL ASSETS</b>	<b>220,432</b>	<b>206,974</b>
Due within one year	1,579	1,902
<b>NON-CURRENT FINANCIAL ASSETS</b>	<b>218,853</b>	<b>205,071</b>

\* Somfy SA subscribed to a subordinated bond (mezzanine) issued by CIAT with a nominal value of €48.0 million repayable in 2016. Capitalised interest amounted to €10.1 million at 30 June 2011.

Somfy SA also subscribed to a convertible bond and to a standard bond, issued by Garen Automação for €11.2 million and €2.7 million, respectively.

\*\* Including a three-year loan granted by Somfy SA to CIAT with a nominal value of €5.0 million. Capitalised interest totalled €0.3 million at 30 June 2011.

Non-consolidated shares notably include a 34% investment in the share capital of FAAC, valued at €132.0 million.

## 11. OTHER NON-CURRENT RECEIVABLES

The increase in this heading was primarily due to the recognition of the balance of €8.7 million due on the disposal price of agta record, which will be collected within the next two years at the latest.

## 12. INVENTORIES

€ thousands	30/06/11	31/12/10
<b>Gross</b>		
Raw materials and other supplies	55,410	46,687
Finished goods and merchandise	95,964	82,570
<b>TOTAL</b>	<b>151,375</b>	<b>129,257</b>
<b>Depreciation</b>	<b>-10,934</b>	<b>-10,681</b>
<b>NET</b>	<b>140,441</b>	<b>118,576</b>

€ thousands	Value 31/12/10	Net charges	Exchange rate movement	Other movements	Value 30/06/11
Inventory depreciation	-10,681	-372	130	-11	-10,934



### 13. PROVISIONS

#### Non-current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provision for employee liability	Provisions for risks and charges	Total 2011
At 1 January	3,487	1,279	907	2,870	8,543
Expenses	457	107	27	238	829
Used reversals	–	–253	–76	–504	–833
Unused reversals	–	–48	–	–	–48
Impact of variations in foreign exchange rates	–36	–	–	–1	–37
Other movements	–	4	–	–4	0
<b>AT 30 JUNE 2011</b>	<b>3,909</b>	<b>1,089</b>	<b>858</b>	<b>2,599</b>	<b>8,454</b>

Provisions charges, net of reversals used or unused have impacted the current operating result by a negative €218 thousand and other operating income and expenses by a positive €270 thousand.

#### Current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provisions for risks and charges	Total 2011
At 1 January	3,874	2,080	2,715	8,669
Expenses	334	656	295	1,285
Used reversals	–	–49	–1,172	–1,221
Unused reversals	–	–52	–141	–193
Impact of variations in foreign exchange rates	–27	–8	–12	–47
Other movements	–	–	–	0
<b>AT 30 JUNE 2011</b>	<b>4,181</b>	<b>2,627</b>	<b>1,685</b>	<b>8,493</b>

Provision charges, net of used or unused reversals, have impacted the current operating result by a negative €807 thousand and other operating income and expenses by a positive €936 thousand.

### 14. FINANCIAL LIABILITIES

€ thousands	30/06/11	31/12/10
Borrowings from credit institutions	64,852	121,193
Lease commitments	25,731	28,942
Other borrowings and financial liabilities*	40,326	39,873
<b>NON-CURRENT AND CURRENT FINANCIAL LIABILITIES</b>	<b>130,909</b>	<b>190,008</b>
Due within one year	27,627	86,345
<b>NON-CURRENT FINANCIAL LIABILITIES</b>	<b>103,281</b>	<b>103,663</b>

\* Including liabilities related to put options granted to holders of non-controlling interests for €40.1 million at 30 June 2011 and €39.7 million at 31 December 2010.

Current drawdowns made at 31 December 2010 for the acquisition of Dooya were repaid during the first half of the year following the disposal of agta record.

## 15. NET FINANCIAL DEBT

€ thousands	30/06/11	31/12/10
Financial liabilities*	130,909	190,008
Financial assets	68,766	67,876
– Marketable securities	–	–
– Bond receivables**	60,767	58,110
– Other***	7,999	9,766
Cash and cash equivalents	73,399	86,993
<b>NET FINANCIAL DEBT</b>	<b>–11,257</b>	<b>35,139</b>

(–) Net financial surplus

\* Including liabilities related to put options granted to holders of non-controlling interests for €40.1 million at 30 June 2011 and €39.7 million at 31 December 2010.

\*\* Somfy SA subscribed to a subordinated bond (mezzanine) issued by CIAT with a nominal value of €48.0 million repayable in 2016. Capitalised interest amounted to €10.1 million at 30 June 2011.

Somfy SA also subscribed to a standard bond, issued by Garen Automação for €2.7 million.

\*\*\* Including a three-year loan granted by Somfy SA to CIAT with a nominal value of €5.0 million. Capitalised interest totalled €0.3 million at 30 June 2011.

Convertible bonds issued by Garen Automação (€11.2 million) were excluded from net financial debt (heading “financial assets”) since there is no certainty that they will be redeemed in cash.

## 16. ANALYSIS OF CASH FLOW STATEMENT

### 16.1 Net cash and cash equivalents

€ thousands	30/06/11	30/06/10	31/12/10
<b>CASH AT THE START OF THE PERIOD</b>	<b>84,919</b>	<b>66,974</b>	<b>66,974</b>
Cash and cash equivalents	86,993	67,872	67,872
Bank overdrafts	–2,074	–898	–898
<b>CASH AT THE END OF THE PERIOD</b>	<b>69,727</b>	<b>79,245</b>	<b>84,919</b>
Cash and cash equivalents	73,399	82,463	86,993
Bank overdrafts	–3,672	–3,219	–2,074

### 16.2 Change in working capital requirements

€ thousands	30/06/11	31/12/10
Net decrease/(increase) in inventory	–22,987	–10,964
Net decrease/(increase) in trade receivables	–57,808	–1,682
Net (decrease)/increase in trade payables	18,347	2,451
Net movement in other receivables and payables	2,054	3,009
<b>CHANGE IN WORKING CAPITAL REQUIREMENTS</b>	<b>–60,393</b>	<b>–7,187</b>

## 17. RELATED PARTIES

Related parties are companies over which the Group has a significant influence and which are consolidated using the equity method. Transactions with related parties are made on market terms.

€ thousands	30/06/11	30/06/10	31/12/10
Sales	1,195	1,553	2,579
Other revenues	118	214	299
Purchase of goods	881	1,175	1,850
Other charges	8	2	34
Interest received	2,576	2,199	4,427
Trade receivables	2,073	1,777	2,249
Trade payables	431	494	491
Interest receivable	2,378	2,162	–
Borrowings	5,576	7,437	6,361
Accrued interest	–	–	2
Mezzanine loans	71,984	53,750	58,110

## 18. DIVIDENDS PROPOSED

The net dividend proposed at the AGM of 18 May 2011 called to approve the 2010 financial statements was €5.20. It was paid on 7 June 2011.

## 19. CONSOLIDATION SCOPE

All the companies have a year end of 31 December.

Company name	Head office	% control 30/06/11	% interest 30/06/11	% interest 31/12/10
Somfy SA	74300 Cluses (France)	(parent)	(parent)	(parent)
<b>Fully consolidated companies</b>				
Somfy SAS	Cluses (France)	100.00	100.00	100.00
CMC SARL	Cluses (France)	100.00	100.00	100.00
Somfybat SNC	Cluses (France)	100.00	100.00	100.00
Domis SA	Rumilly (France)	100.00	100.00	100.00
SITEM SARL	Tunis (Tunisia)	100.00	100.00	100.00
SITEM Services	Tunis (Tunisia)	100.00	100.00	100.00
Somfy Ltd	Yeadon (England)	100.00	100.00	100.00
PD Technology Ltd	Bradford (England)	–	–	100.00
Yorkshire Technology	Bradford (England)	100.00	100.00	100.00
Kléréo SARL	Montesson (France)	49.00	49.00	49.00
Somfy PTY Ltd	Rydalmere (Australia)	100.00	100.00	100.00
Somfy Automation Services PTY	Rydalmere (Australia)	100.00	100.00	100.00
NV Somfy SA	Zaventem (Belgium)	100.00	100.00	100.00
Somfy Brazil LTDA	Sao Paulo (Brazil)	100.00	100.00	100.00
Somfy GmbH	Rottenburg (Germany)	100.00	100.00	100.00
Somfy GmbH	Elsbethen-Glasenbach (Austria)	100.00	100.00	100.00

Company name	Head office	% control 30/06/11	% interest 30/06/11	% interest 31/12/10
Somfy KFT	Budapest (Hungary)	100.00	100.00	100.00
Somfy Sp zoo	Varsovie (Poland)	100.00	100.00	100.00
Somfy Spol sro	Praha (Czech Republic)	100.00	100.00	100.00
SC Somfy SRL	Brasov (Romania)	100.00	100.00	100.00
Somfy Russie LLC	Moscow (Russia)	100.00	100.00	100.00
Somfy Latvia SIA	Riga (Latvia)	100.00	100.00	100.00
Somfy Bulgaria AD	Sofia (Bulgaria)	100.00	100.00	100.00
Somfy Joo	Seoul (Korea)	100.00	100.00	100.00
Somfy Italia SRL	Trezzano sul Naviglio (Italy)	100.00	100.00	100.00
Somfy BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
Somfy Espana SA	Barcelona (Spain)	100.00	100.00	100.00
Automatismos Pujol SL	Barcelona (Spain)	100.00	100.00	100.00
Pujol Redutores de Velocidade LDA	Esmoriz (Portugal)	100.00	100.00	100.00
Sistemi Automatici Pujol SRL	Pavona (Italy)	100.00	100.00	100.00
Somfy Systems Inc.	Cranbury NJ (United States)	100.00	100.00	100.00
Somfy AG	Bassersdorf (Switzerland)	100.00	100.00	100.00
Somfy AB	Limhamn (Sweden)	100.00	100.00	100.00
Somfy PTE Ltd	Singapore	100.00	100.00	100.00
Somfy Taiwan Co Ltd	Taipei (Taiwan)	100.00	100.00	100.00
Dooya China	Ningbo (China)	70.00	70.00	70.00
Somfy Co Ltd	Hong-Kong	100.00	100.00	100.00
Somfy China Ltd	Shanghai (China)	100.00	100.00	100.00
LianDa	Zhejiang (China)	80.00	80.00	80.00
Somfy Middle East Co Ltd	Limassol (Republic of Cyprus)	100.00	100.00	100.00
Sisa Home Automatisatıon Ltd	Rishone Le Zion (Israel)	100.00	100.00	100.00
Somfy Maroc SARL	Casablanca (Morocco)	100.00	100.00	100.00
Somfy Hellas SA	Athens (Greece)	100.00	100.00	100.00
Somfy Ev Otomasyon Sistemleri Ticalet Ltd Sti	Usküd (Turkey)	100.00	100.00	100.00
Somfy South Africa (PTY) Limited	Durban (South Africa)	100.00	100.00	100.00
Somfy Mexico SA DE CV	Edo de Mex. (Mexico)	100.00	100.00	100.00
Somfy K.K.	Yokohama (Japan)	100.00	100.00	100.00
Somfy India Pvt Ltd	New Dehli (India)	100.00	100.00	100.00
Somfy ULC	Halifax (Canada)	100.00	100.00	100.00
Harmonic Design	Poway (United States)	100.00	100.00	100.00
Energy Eye	San Diego (United States)	100.00	100.00	100.00
Simu SAS	Gray (France)	100.00	100.00	100.00
Simu GmbH	Iserlohn (Germany)	100.00	100.00	100.00
WAY SRL	Galliera Bologne (Italy)	100.00	100.00	100.00
Overkiz SAS	Archamps (France)	80.00	80.00	80.00
SEM-T	Cluses (France)	100.00	100.00	100.00
DSG	Mouscron (Belgium)	100.00	100.00	100.00
TTMD SA	Geneva (Switzerland)	100.00	100.00	–
BFT SpA	Schio (Italy)	100.00	100.00	100.00

Company name	Head office	% control 30/06/11	% interest 30/06/11	% interest 31/12/10
Automatismes BFT France SAS	Lyon (France)	100.00	100.00	100.00
BFT Group Italiberica de Automatismos SL	Barcelona (Spain)	98.70	98.70	98.70
BFT Torantriebssysteme GmbH	Furth (Germany)	100.00	100.00	60.00
BFT Automation UK Limited	Stockport (England)	100.00	100.00	100.00
BFT Benelux SA	Nivelles (Belgium)	100.00	100.00	100.00
BFT Adria d.o.o.	Drazice (Croatia)	75.00	75.00	75.00
BFT Polska Sp.zoo	Warszawa (Poland)	100.00	100.00	100.00
SACS SRL	Borgo Valsugana (Italy)	100.00	100.00	100.00
BFT US Inc.	Boca Raton (United States)	100.00	100.00	100.00
BFT Portugal SA	Coimbra (Portugal)	100.00	100.00	100.00
BFT Gates systems Limited	Berkshire (England)	100.00	100.00	100.00
BFT Languedoc SAS	Nîmes (France)	100.00	100.00	100.00
BFT Sud-Ouest SAS	Toulouse (France)	90.00	90.00	90.00
BFT Australie	Sydney (Australia)	100.00	100.00	100.00
BFT Czech Republic	Prague (Czech Republic)	100.00	100.00	100.00
BFT Piemonte	Dronero (Italy)	90.00	90.00	70.00
BFT France SAS	Marseille (France)	100.00	100.00	100.00
O&O	Corregio (Italy)	90.00	90.00	90.00
O&O France Distribution	Aubagne (France)	100.00	100.00	100.00
BFT Veneto	Schio (Italy)	100.00	100.00	100.00
BFT Autoferm Ouest SARL	Saint-Philbert-de-Grand-Lieu (France)	100.00	100.00	100.00
BFT Anatolia	Istanbul (Turkey)	100.00	100.00	100.00
BFT Grèce	Athens (Greece)	100.00	100.00	100.00
BFT Eire	Dublin (Ireland)	100.00	100.00	100.00
BFT Gulf	Dubai (United Arab Emirates)	100.00	100.00	–
Cotharm Participation SA	Vinay (France)	65.00	65.00	65.00
Cotharm SAS	Vinay (France)	100.00	65.00	65.00
Cotharm Tunisie SARL	Ben Arous (Tunisia)	100.00	65.00	65.00
Cotharm North America	Warwick (United States)	90.00	58.50	58.50
Cotharm UK	Suffolk (England)	100.00	65.00	65.00
Cotharm SCI	Ben Arous (Tunisia)	100.00	65.00	65.00
NMP SAS	Cluses (France)	100.00	100.00	100.00
Zurflüh-Feller Holding SAS	Autechaux Roide (France)	100.00	100.00	100.00
Zurflüh-Feller SAS	Autechaux Roide (France)	100.00	100.00	100.00
Zurflüh-Feller Montage EURL	Autechaux Roide (France)	100.00	100.00	100.00
CERF EURL	Autechaux Roide (France)	100.00	100.00	100.00
Financière Nouveau Monde SA	Miribel (France)	87.53	87.53	87.53
Sirem International SA	Miribel (France)	–	–	87.53
Sirem SAS	Miribel (France)	100.00	87.53	87.53
Aqua System Design SAS	Miribel (France)	100.00	87.53	87.53
Sirem Immobilier SNC	Miribel (France)	100.00	87.53	87.53
Sodim	Pagny le Château (France)	100.00	87.53	87.53

Company name	Head office	% control 30/06/11	% interest 30/06/11	% interest 31/12/10
<b>Equity-accounted companies</b>				
Gaviota Simbac SL	Sax Alicante (Spain)	46.50	46.50	46.50
Simbac SpA	Mezzago (Italy)	46.50	46.50	46.50
Gaviota Simbac Middle East Sal	Zouk Mosbeh (Lebanon)	23.25	23.25	23.25
Gaviota Simbac SL - Succursal EM Portugal	Vila Verde (Portugal)	46.50	46.50	46.50
Firstinnov	Montesson (France)	40.00	40.00	40.00
CIAT	Culoz (France)	40.00	40.00	40.00
Oxygen SARL (Astélia)	Lyon (France)	40.00	40.00	40.00
Axis	Darnetal (France)	40.00	40.00	40.00
Direction Marty Holding SA	Fumel (France)	34.00	34.00	34.00
Parquets Marty SAS	Cuzorn (France)	34.00	34.00	34.00
Parquets Marty Benelux	Nandrin (Belgium)	34.00	34.00	34.00
Parquets Marty Italia SARL	Cremona (Italy)	17.34	17.34	17.34
Storm	Saint Clair de la Tour (France)	40.00	40.00	–

## 20. POST-BALANCE SHEET EVENT

The amending social security finance act for 2011 was enacted at the end of July 2011. Its main provision concerns the profit sharing bonus, to be paid to French employees of corporations that have paid increasing dividends.

Somfy comes within the scope of application of this provision and will recognise the impact of this bonus in the second half of 2011.

## B – HY1 2011 BUSINESS REPORT

Consolidated data (€ millions)	30 June 2011	30 June 2010	2011/10 change
Sales	501.2	439.9	+ 13.9%
Current operating result	89.4	87.7	+ 1.9%
Non-current operating expenses	-4.1	-3.7	+ 13.2%
Operating result	85.3	84.0	+ 1.4%
Net financial income	66.8	6.2	Ns
Income tax	-20.2	-20.0	+ 1.2%
Share of profit of equity-accounted companies	-0.9	-7.7	Ns
Net profit	130.9	62.6	+ 109.3%
Group share of net profit	130.4	62.3	+ 109.2%
Cash flow	91.8	89.7	+ 2.4%

### SALES

Group sales totalled €501.2 million<sup>1</sup> over the first six months of the financial year, which was a growth of 13.9% in real terms and 8.7% on a like-for-like basis compared to the first half-year of 2010.

▪ **Somfy Activities** sales grew from €385.1 million to €441.9 million (up 8.8% on a like-for-like basis, +11.6% for the first quarter and +6.6% for the second quarter).

All geographic regions reported growth at the end of the first half, even though some of them faced an unfavourable environment. The most significant increases were reported in Germany, Eastern and Central Europe, France and America. Other regions experienced a more difficult first half. Economic difficulties in the United Kingdom, Spain and Greece had an adverse effect on the performance of Northern Europe and Southern Europe. The natural disasters in Japan and the property crisis in Australia had a negative impact on the financial statements of the Asia-Pacific region.

▪ **Somfy Participations** sales grew from €55.7 million to €60.6 million (up 8.8% on a like-for-like basis).

The three fully-consolidated companies, Cotherm, Sirem and Zurflüh-Feller, achieved growth. Equity-accounted companies also reported a good performance. The highlights of the period were CIAT's renewed growth, despite continued difficult market conditions in the heat pump sector, and the strong resilience of Gaviota Simbac.

### RESULTS

The Group achieved a current operating result of €89.4 million over the first six months of the year. It increased by 1.9% compared to the first half-year of 2010 and represented 17.8% of sales (19.9% as of 30 June 2010).

▪ **Somfy Activities'** current operating result rose from €80.8 million to €84.4 million over the period (up 4.5%). The variance compared to sales growth was forecast. This was primarily due to the increase in fixed costs related to the implementation of the strategic priorities established in the previous year and the impact of the rise in raw material prices.

▪ **Somfy Participations'** current operating result declined by 27.9%, from €7.0 million to €5.1 million over the fully-consolidated group structure. This drop was due to contrasting growth by the subsidiaries and the consequences of the rise in raw material prices.

Net profit was €130.9 million. This included largely positive financial items due to the recognition of the capital gain on the disposal of agta record, and a slightly negative contribution of equity-accounted companies due to the impaired value of the equity holding in Parquets Marty.

Excluding the capital gain from the sale of the agta record shares, net profit grew by 10.7% to €69.3 million.

<sup>1</sup> The difference between Group sales and the total sales of Somfy Activities and Somfy Participations corresponds to the sales between Somfy Activities and Somfy Participations.

## FINANCIAL POSITION

The net cash surplus<sup>2</sup> was €11.3 million at end June and net equity was €820.9 million.

## SEASONALITY

Somfy group achieves more than 50% of its sales in the first half of the year.

## HIGHLIGHTS

- **Somfy Activities** wrote down the goodwill of O&O. The outlook for **O&O**, a subsidiary of BFT SpA that produces lifting gates, rising bollards and automated sliding doors has deteriorated compared to the acquisition business plan. About half of the value of the goodwill was written down, i.e. €3.6 million.
- At the start of February 2011, **Somfy Participations** sold its 32.95% equity investment in the share capital of **agta record** to Assa Abloy. The transaction price was €109.8 million, of which €101.1 million has already been collected. The balance of €8.7 million is payable within two years. The €63.0 million capital gain, net of expenses, was recognised as financial income for the period.
- The part disposal of the assets of **Parquets Marty**, which had then filed for bankruptcy, was decided on 12 July 2011 by the Commercial Court of Agen. This **Somfy Participations** investment is equity-accounted. Somfy group also wrote down the assets it held in Parquets Marty group, resulting in a negative impact of €1.2 million in the share of profit of equity-accounted companies at 30 June 2011.

## CHANGES IN CONSOLIDATION SCOPE

- **Somfy Activities** acquired the distributor **BFT Gulf** in Dubai, through its subsidiary BFT SpA. Somfy acquired the entire capital at a price of €2.6 million. This acquisition gave rise to the recognition of an earn-out estimated at €0.8 million and generated goodwill of €2.9 million, €0.6 million of which was attributed to customer relationships. This company was consolidated from the date of acquisition (mid-April 2011) and contributed €1.2 million to Group sales.

These amounts are liable to change during the allocation period.

- In early May 2011, **Somfy Activities** made an equity investment of 40% in the capital of **Storm** for €0.3 million. This company is equity-accounted and is specialised in gate motorisation. A mutual call/put option was included in the contract for 2013, in relation to the remaining 60% of the capital. Storm had a carrying value of €0.3 million at 30 June 2011.
- In mid-May 2011, **Somfy Activities** finalised an agreement with the shareholders of Brazilian company **Garen Automação**, the South-American leader for the automation of doors and gates. The first step of Somfy's commitment will only be reflected in the subscription to convertible and standard bonds issued by Garen, for €11.2 million and €2.7 million, respectively, which may eventually enable the Group to take control of Garen by 2016.
- **Somfy Activities** acquired 40% of **BFT GmbH** through its subsidiary BFT SpA, for an amount of €0.5 million, and now fully owns this company.
- **Somfy Activities** also exercised its call option to acquire 20% of the capital of **BFT Piemonte** through its subsidiary BFT SpA, for an amount of €0.2 million, thereby increasing its equity holding to 90%. There remains a mutual put/call option for the acquisition of the residual 10%, estimated at €0.1 million.

2. The net cash surplus is defined as cash and cash equivalents less financial debt (including liabilities related to put options granted to minority shareholders).



## OUTLOOK

The forecast set at the beginning of the year remains unchanged, in spite of a less buoyant business outlook.

- **Somfy Activities'** objective is to lay the foundation for a broader leadership, by stepping up investment in innovation, in the sales force and in marketing, against a backdrop of a controlled decline in profit margins. The focus will be particularly placed on strengthening the international business, with the emphasis on emerging markets and on broadening the scope of operations, with a strong positioning on home automation and sustainable development (energy savings, etc.).

- **Somfy Participations'** objective is to support the development of the companies in its portfolio and the improvement of their processes, as well as seizing investment and disposal opportunities.

## RELATED PARTIES

These are companies over which the Group exerts significant influence. They are consolidated using the equity method.

The main transactions between Somfy and associated companies may be summarised as follows:

- Balance sheet:
  - bond issues and long term advances granted by Somfy to associated companies,
  - trade receivable/payable accounts as a result of Somfy's business relations with these companies.
- Income statement:
  - financial income related to the loans and advances,
  - merchandise sales/purchases.

## SOMFY SA

For the half-year to 30 June 2011, Somfy SA generated sales of €1.1 million. The net financial income was €95.5 million, including €93.1 million in dividends paid by the subsidiaries in respect of their net profit for the year to 31 December 2010.

Net profit was €145.2 million, after taking account of a €0.3 million income tax charge.

## STATEMENT FROM THE INDIVIDUAL RESPONSIBLE FOR THE HALF-YEAR REPORT

I certify that, to the best of my knowledge, the condensed half-year financial statements have been prepared in accordance with applicable accounting standards, give a true and fair view of the net equity position, financial position and financial performance of the company and all companies included in consolidation, and that the half-year business report gives a true and fair view of significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions carried out between related parties, as well as a description of the major risks and uncertainties for the remaining six months of the financial year.

Cluses, 25 August 2011

A handwritten signature in black ink, consisting of a large, stylized loop followed by a smaller, more intricate mark.

**Paul Georges DESPATURE**

Chairman of the Management Board of Somfy SA

## C – STATUTORY AUDITORS' REPORT ON THE 2011 INTERIM FINANCIAL REPORT

To the Shareholders,

In execution of our mandate conferred to us by your General Meeting and pursuant to Article L. 451-1-2 III of the Monetary and Financial Code, we have proceeded with:

- A limited review of the accompanying condensed interim consolidated financial statements of the Somfy S.A. company, for the period from 1 January to 30 June 2011;
- A review of information disclosed in the interim business report.

The Board of Directors is responsible for the preparation of the consolidated financial statements. It is our responsibility to express an opinion on these financial statements on the basis of our limited review.

### 1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our limited review in accordance with the professional standards applicable in France. A limited review of interim financial information consists principally of making inquiries of persons responsible for financial and accounting

matters and applying analytical procedures. It is substantially less in scope than an audit conducted in accordance with auditing standards applicable in France. Consequently, this review can only guarantee reasonable assurance, not to the same degree as an audit, as to whether the half-year financial statements are free of material misstatements.

Based on our limited review, nothing has come to our attention that would challenge the true and fair view of the half year condensed consolidated financial statements, prepared in accordance with IAS 34 on interim financial reporting, a component of IFRS standards as adopted by the European Union.

### 2. SPECIFIC VERIFICATION

We have also proceeded with a verification of information disclosed in the interim business report commenting on the condensed interim financial statements, which were the subject of our limited review.

We have no observations to make with regard to the fairness of such information and its consistency with the interim consolidated financial statements.

Paris and Lyon, 30 August 2011  
The Statutory Auditors

LEDOUBLE S.A.  
Frédéric Ledouble

ERNST & YOUNG et Autres  
Sylvain Lauria