



HALF YEAR FINANCIAL REPORT END OF JUNE 2008



Somfy S.A.

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 R.C.S Bonneville



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I. CONSOLIDATED INCOME STATEMENT

€ thousands	Notes	30/06/2008 6 months	30/06/2007 6 months	31/12/2007 one year
SALES		390,700	384,845	720,222
Other operating revenues		2,117	2,708	4,731
Cost of sales		-128,766	-127,680	-241,818
Personnel costs		-110,829	-105,181	-206,739
Other operating expenses		-64,622	-62,838	-122,497
Depreciation, amortisation and provision charges		-11,611	-10,973	-22,745
Current provision charges (reversals)		288	461	1,183
OPERATING CURRENT PROFIT		77,276	81,342	132,337
Other revenue / (charges) from operations	(1)	58	-1,682	-1,152
OPERATING PROFIT		77,334	79,660	131,185
Financial profit from investments		3,099	2,637	3,929
Debt-related financial charges		-2,707	-1,957	-4,789
Debt servicing cost, net		392	680	-860
Other financial income/(loss)		-755	1,172	-648
NET FINANCE COSTS	(2)	-363	1,852	-1,508
PROFIT BEFORE TAX AND SHARE OF ASSOCIATE EARNINGS		76,971	81,512	129,677
Income tax	(3)	-18,068	-26,137	-38,847
Share of associate companies earnings	(9)	1,055	7,603	13,053
NET PROFIT		59,957	62,978	103,883
Net profit - group share		59,512	62,722	103,547
Minority interests		445	256	336
Earnings per share (in euro)	(4)	7.85	8.24	13.60
Diluted earnings per share (in euro)	(4)	7.79	8.17	13.49

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II. CONSOLIDATED BALANCE SHEET

ASSETS		€ thousands	
NON-CURRENT ASSETS	Notes	30/06/2008 Net	31/12/2007 Net
Goodwill	(6)	104,051	101,539
Net intangible assets	(7)	23,860	24,623
Net property, plant and equipment	(8)	170,452	163,137
Equity accounted subsidiaries	(9)	22,097	153,049
Financial assets	(10)	208,231	70,224
Other receivables		3,502	5,317
Deferred tax assets		18,634	17,401
Commitments from personnel		31	32
Asset derivative instruments		750	231
TOTAL		551,608	535,553
CURRENT ASSETS			
Inventories	(11)	102,509	96,028
Trade receivables		171,316	127,958
Other receivables		13,812	12,268
Tax assets receivables		2,396	3,997
Financial assets	(10)	27,986	28,316
Asset derivative instruments		406	583
Cash and cash equivalents		146,819	89,398
TOTAL		465,244	358,548
TOTAL ASSETS		1,016,852	894,101

EQUITY AND LIABILITIES		€ thousands	
EQUITY	Notes	30/06/2008	31/12/2007
Share capital		7,837	7,837
Share premium		1,866	1,866
Other reserves		589,746	535,039
Net profit for the year		59,512	103,547
<i>Group share</i>	(5)	658,961	648,289
Minority interests		101	102
TOTAL		659,062	648,391
NON-CURRENT LIABILITIES			
Non current provisions	(12)	6,872	6,608
Financial liabilities	(13)	78,867	36,687
Other debts		5,385	4,357
Commitments to personnel		11,857	11,485
Deferred tax liabilities		33,682	31,850
Liability derivative instruments		3,480	2,290
TOTAL		140,143	93,277
CURRENT LIABILITIES			
Current provisions	(12)	4,219	4,975
Financial liabilities	(13)	61,757	12,737
Trade payables		88,483	78,409
Other payables		57,082	52,005
Income tax payable		5,823	4,252
Liability derivative instruments		283	55
TOTAL		217,647	152,433
TOTAL EQUITY AND LIABILITIES		1,016,852	894,101

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III. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	€ thousands							
	Share Capital ⁽¹⁾	Share premium	Treasury shares	Currency translation differences	Consolidated reserves and net profit	Total equity (Group share)	Minority interests	Total equity
AT DECEMBER 31st, 2007	7,837	1,866	-36,007	-3,683	678,277	648,289	102	648,391
Variation of fair value assets available for sale	-	-	-	-	-470	-470	-	-470
Translation adjustments	-	-	-	-1,738	-	-1,738	-	-1,738
Income and expenses recorded directly in equity	0	0	0	-1,738	-470	-2,208	0	-2,208
Net profit at 30/06/2008	-	-	-	-	59,512	59,512	1	59,513 ⁽³⁾
Total income and expenses	0	0	0	-1,738	59,042	57,304	1	57,305
Treasury share transactions	-	-	-5,189	-	66	-5,123	-	-5,123
Dividends distribution	-	-	-	-	-41,710	-41,710	-	-41,710
Other variations	-	-	-	-	201	201	-2	199
AT JUNE 30th, 2008	7,837	1,866	-41,196	-5,421	695,876 ⁽²⁾	658,961	101	659,062

(1) Share capital is comprised of 7,836,800 shares with a nominal value of € 1. No change occurred during the 2008 financial year.

(2) Changes in the fair value of assets held for disposal are included in reserves. They increased by a net € 0.5 million at June 30th, 2008 to a total of € 40.9 million.

(3) The net profit variance between the income statement and the balance sheet is due to the recognition of put options granted to minority shareholders : € 443 thousand.

	€ thousands							
	Share Capital ⁽¹⁾	Share premium	Treasury shares	Currency translation differences	Consolidated reserves and net profit	Total equity (Group share)	Minority interests	Total equity
AT DECEMBER 31st, 2006	7,837	1,866	-13,723	-471	595,669	591,177	118	591,295
Variation of fair value assets available for sale	-	-	-	-	30,330	30,330	-	30,330
Translation adjustments	-	-	-	-354	-	-354	-	-354
Income and expenses recorded directly in equity	0	0	0	-354	30,330	29,976	0	29,976
Net profit at 30/06/2007	-	-	-	-	62,722	62,722	11	62,733 ⁽³⁾
Total income and expenses	0	0	0	-354	93,052	92,698	11	92,709
Treasury share transactions	-	-	-22,432	-	230	-22,202	-	-22,202
Dividends distribution	-	-	-	-	-39,586	-39,586	-	-39,586
Other variations	-	-	-	-	258	258	-3	255
AT JUNE 30th, 2007	7,837	1,866	-36,155	-825	649,623 ⁽²⁾	622,345	126	622,471

(1) Share capital is comprised of 7,836,800 shares with a nominal value of € 1. No change occurred during the 2007 financial year.

(2) Changes in the fair value of assets held for disposal are included in reserves. They increased by a net € 30.3 million at June 30th, 2007 to a total of € 84.5 million.

(3) The net profit variance between the income statement and the balance sheet is due to the recognition of put options granted to minority shareholders : € 245 thousand.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

IV. CONSOLIDATED CASH FLOW STATEMENT

€ thousands	Notes	30/06/2008 6 months	30/06/2007 6 months	31/12/2007 one year
OPERATING ACTIVITIES				
Net profit		59,957	62,978	103,883
Depreciation or amortisation/assets (except current assets)		11,546	10,351	22,249
Depreciation on provisions/liabilities		85	125	218
Unrealised gains and losses on fair value variations		1,076	-235	2,218
Unrealised exchange gains and losses		97	-259	14
Stock option related expenses and commitments towards the personnel		1,600	1,710	2,793
Amortisation, depreciation, provisions and other non-cash adjustments		14,404	11,692	27,492
Gains/losses on disposal of assets		257	124	356
Elimination of share of associate companies earnings		-1,055	-7,603	-13,053
Deferred tax charge		-1,544	-804	1,020
Cash flow		72,019	66,387	119,698
Net cost of financial debt (excluding non-cash items)		848	-140	627
Dividends from non-group companies		-1,381	-1,032	-1,032
Tax income (excl. deferred tax)		19,612	26,941	37,827
Movement in working capital requirements	(15)	-35,899	-33,607	-23,123
Income tax paid		-16,577	-32,269	-51,711
NET CASH FROM OPERATING ACTIVITIES (A)		38,622	26,280	82,286
INVESTING ACTIVITIES				
Cash out related to acquisitions on non-current assets:				
- intangible assets and property, plant and equipment		-17,686	-17,463	-32,046
- non-current financial investments		-6,526	-526	-1,331
Cash in related to disposals on non-current assets:				
- intangible assets and property, plant and equipment		1,091	572	1,896
- non-current financial investments		12	108	100
Movement in current financial assets		1,271	-5,437	-160
Acquisition of subsidiaries net of cash acquired	(15)	-2,003	-6,657	-8,796
Dividends paid by associate companies		816	830	12,050
Dividends paid by non-consolidated companies		486	360	1,032
Interest received		1,655	2,110	3,802
NET CASH USED IN INVESTING ACTIVITIES (B)		-20,884	-26,103	-23,453
FINANCING ACTIVITIES				
Increase in borrowings		91,019	13,728	3,163
Reimbursement of borrowings		-3,740	-4,848	-6,853
Dividends paid and instalments		-41,710	-39,585	-39,599
Treasury share movements		-5,123	-22,202	-22,044
Interest paid		-3,007	-1,958	-4,367
NET CASH FROM (USED IN) FINANCING ACTIVITIES (C)		37,439	-54,865	-69,700
Impact of exchange rate changes (D)		115	157	-331
INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		55,292	-54,531	-11,198
OPENING CASH EQUIVALENT CASH	(15)	88,548	99,746	99,746
CLOSING CASH EQUIVALENT CASH	(15)	143,840	45,215	88,548

In order to initiate negotiations with CIAT's shareholders, Somfy had to block funds totalling € 93 million on some of its own bank accounts, virtually all of which was drawn from its credit lines. These movements of funds markedly increased the "increase in borrowings" and "cash and cash equivalents – closing balance" captions. After correcting these items in the cash flow statement, the change in cash and cash equivalents would have been a decrease of € 37.8 million.

V. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Accounting rules and methods and consolidation scope

1. APPROVAL OF FINANCIAL STATEMENTS

On August 28th, 2008, the Supervisory Board approved Somfy Group's condensed consolidated financial statements at June 30th, 2008.

2. HIGHLIGHTS

● As specified in the post-balance sheet events section of the 2007 annual report, Somfy signed an agreement on November 6th, 2007 with a view to acquiring **Zurflüh Feller**. Finalisation of the transaction was subject to usual conditions precedent. These conditions had not been met at June 30th, 2008.

● On May 28th, 2008, Somfy entered into exclusive negotiations with a view to making an investment in the share capital of **CIAT**, a company held by the Falconnier family.

3. ACCOUNTING RULES AND METHODS

The interim financial statements at June 30th, 2008 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 December 31st, 2007, except for the following standards, amendments and interpretations adopted by the European Union, whose application became compulsory from January 1st, 2008 but had no impact on the Group's interim financial statements:

- IFRIC 11 interpretation "Group and treasury share transactions",
- IFRIC 14 interpretation "Limit on a defined benefit asset, minimum funding requirements and their interaction".

The Group opted for the early application at January 1st of IFRS 8 "Operating segments", which replaced IAS 14 "Segment reporting". The adoption of this standard has an impact on segment disclosures in the financial statements. Indeed, in application of IAS 14, Somfy, which only has one business segment, opted for segment reporting based on geographic sector by asset location.

In the course of the first half of 2008, the Group re-organised into two separate divisions:

● **Somfy Activities**, which brings together companies dedicated to the Group's three core businesses, "Roller Shutters & Awnings", "Service Sector and Interior Blinds" and "Gates and Garage Doors".

● **Somfy Participations**, which is dedicated to investing in industrial companies that do not relate to Somfy's core business.

This new organisation, which had no incidence on the Group's legal structure, will help attract and unite companies and managers from different backgrounds, both within Somfy Operations and Somfy Investments. It reflects the new internal reporting system implemented by Somfy Group's management team. Two separate managers were also appointed to each division. Following this re-organisation, the Group deemed it suitable to apply IFRS 8 early and will present relevant indicators based on the two operating segments, "Somfy Activities" and "Somfy Participations".

The following other standards, already published and for subsequent compulsory application were not applied early:

- Amendments to IFRS 2 "Vesting conditions and cancellations" applicable at January 1st, 2009,
- Amendments to IAS 23 (revised) "Borrowing costs" applicable at July 1st, 2009,
- Amendments to IAS 32 "Puttable financial instruments and obligations arising on liquidation" applicable at January 1st, 2009,
- Revised IAS 27 "Consolidated and separate financial statements" applicable at January 1st, 2009,
- Revised IAS 1 "Presentation of financial statements" applicable at January 1st, 2009,
- Revised IFRS 3 "Business combinations (phase 2)" applicable at January 1st, 2009,
- IFRIC 13 interpretation "Customer loyalty programmes" applicable at July 1st, 2008.

The condensed interim consolidated financial statements 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 December 31st, 2007.

The Group's consolidated financial statements for the year ended December 31st, 2007 are available upon request from head office.

V. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. SEASONALITY

Somfy Group usually achieves about 55% of its sales in the first half of the year.

5. CHANGES IN CONSOLIDATION SCOPE

● Somfy made the acquisition, via its BFT SpA subsidiary, of two companies:

- **BFT Sud-Ouest**, of which 90% of the share capital was acquired for a price of € 1.8 million. As regards the remaining 10%, the two parties agreed to a call and respective put option that each of them may exercise from January 1st, 2013. This company was consolidated in Somfy Group's financial statements from January 1st, 2008. At June 30th, 2008, BFT Sud-Ouest contributed € 1.7 million to Somfy Group sales.
- **BFT Languedoc**, acquired in full for an acquisition price of € 0.5 million. This company was consolidated in Somfy Group's financial statements from January 1st, 2008. At June 30th, 2008, BFT Languedoc contributed € 0.5 million to Somfy Group sales.

● Somfy took note of the recent loss of significant influence in Faac and decided as a result to exclude this company from its consolidation scope from January 1st, 2008. This loss of significant influence occurred gradual over the past few years and was marked in particular by Somfy's inability to influence the company's dividend distribution policy, notably in respect of the 2006 and 2007 financial years, by not being associated to certain strategic or operating decisions. It must also be noted there are no or no longer any significant transactions between Somfy and the Company (absence of exchange of senior executives or provision of essential technical information).

Somfy's 34% investment in Faac's share capital, previously equity accounted, was recognised as an asset held for disposal.

The company will only contribute to Somfy's financial performance through its dividends as of January 1st, 2009. Note: Faac's contribution to Somfy Group's net profit amounted to € 10.7 million in 2007, for an equity investment valued at € 131.2 million.

Since Faac is not a listed company, the fair value of the securities was measured using the future cash flow method, after deducting a marketability discount. The value thus established was € 141.0 million. The difference between the capitalised cost of the asset posted to the balance sheet at January 1st, 2008 (identical to the equity investment value) and the fair value established using the above mentioned method was € 7.6 million (net of deferred taxation on the share of costs and expenses), which was directly deducted from equity.

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VI. OPERATING SEGMENTS

The Group opted for the early application at January 1st of IFRS 8 “operating segments”, which replaced IAS 14 “Segment reporting”.

At January 1st, 2008, the Group re-organised into the following two operating segments:

- **Somfy Activities**, which brings together companies dedicated to the Group’s three core businesses, “Roller Shutters & Awnings”, “Service Sector and Interior Blinds” and “Gates and Garage Doors”.
- **Somfy Participations**, which is dedicated to investing in industrial companies that do not relate to Somfy’s core business.

€ thousands	Segment sales	Segment profitability (profit from operations)	Share of profit from associates
AT JUNE 30th, 2008			
Somfy Activities	376,086	75,408	110
Somfy Participations	14,614	1,868	945
Consolidated data	390,700	77,276	1,055
AT JUNE 30th, 2007			
Somfy Activities	370,885	79,252	2
Somfy Participations	13,960	2,090	7,601
Consolidated data	384,845	81,342	7,603

There were no intra-segment sales.

€ thousands	Investments in non-controlled companies	Equity accounted companies
AT JUNE 30th, 2008		
Somfy Activities	67	2,585
Somfy Participations	205,429	19,512
Consolidated data	205,496	22,097
AT DECEMBER 31st, 2007		
Somfy Activities	145	2,474
Somfy Participations	66,266	150,575
Consolidated data	66,411	153,049

SALES DISTRIBUTION BY CUSTOMERS' LOCATION

€ thousands	30/06/2008 6 months	30/06/2007 6 months	N/N-1	N/N-1 at constant rate	31/12/2007 one year
France	109,841	105,668	3.9 %	3.9 %	195,919
Germany	50,477	52,385	-3.6 %	-3.6 %	97,255
Northern Europe	55,770	58,567	-4.8 %	-1.8 %	100,734
Eastern and Central Europe	26,071	23,068	13.0 %	10.1 %	48,134
Southern Europe	78,394	74,115	5.8 %	5.7 %	139,329
Asia Pacific	20,672	19,936	3.7 %	10.0 %	42,932
America	34,861	37,146	-6.2 %	4.6 %	68,109
SOMFY ACTIVITIES	376,086	370,885	1.4 %	3.1 %	692,412
Somfy Participations	14,614	13,960	4.7 %	7.8 %	27,810
CONSOLIDATED SOMFY	390,700	384,845	1.5 %	3.3 %	720,222

Sales distribution by customers' location is information generally used within Somfy Group.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES

1. OTHER OPERATING REVENUES

€ thousands	30/06/2008 6 months	30/06/2007 6 months	31/12/2007 one year
Movements on non-current provisions	668	-881	-724
Other non-current items	-354	-677	-72
– Non-current income	731	235	4,104
– Non-current charges	-1,085	-912	-4,176
Capital gains and losses on the disposal of fixed assets	-256	-124	-356
OTHER OPERATING CHARGES AND INCOME	58	-1,682	-1,152

At June 30th, 2008, virtually all non-current expenses were covered by provision reversals.

At June 30th, 2007, restructuring plans were announced in two Group subsidiaries, resulting in total expenses of € 1,713 thousand.

At December 31st, 2007, non-current expenses primarily included restructuring costs. Non-current revenues relate to management transactions, the outcome of which was favourable to the Company, such as litigation.

2. FINANCIAL INCOME/(LOSS)

€ thousands	30/06/2008 6 months	30/06/2007 6 months	31/12/2007 one year
Net borrowing costs	392	680	-860
– Financial profit from investments	3,099	2,637	3,929
– Debt-related financial charges	-2,707	-1,957	-4,789
Translation adjustment	-261	140	245
Dividends received	-494	1,032	-893
NET FINANCE COST	-363	1,852	-1,508

Somfy has entered into “Notional Total Return Swap” contract in relation to a financial asset.

The market to market value of the swap was a negative € 1,550 thousand at June 30th, 2008, posted to “Other”. It was posted to the balance sheet as a non-current liability under caption “Liability derivative instruments”.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES

3. CURRENT TAX AND DEFERRED TAX

The significant decline in the effective rate was primarily due to the development of production outside Europe and to a lower taxation rate in Germany and Italy.

€ thousands	30/06/2008 6 months	30/06/2007 6 months	31/12/2007 one year
Profit before tax	76,970	81,512	129,677
<i>Merger loss related to holding company reorganisation</i>	1,443	1,259	1,800
<i>Share of expenses and charges on dividends</i>	-789	876	1,286
Permanent differences	654	2,135	3,086
Profit taxable at reduced rate	-7,395	-6,005	-10,948
Profit taxable at current rate	70,229	77,642	121,815
<i>Income tax rate in France</i>	34.40 %	34.40 %	34.40 %
Theoretical income tax payable at current rate	24,159	26,709	41,904
Impact on the theoretical effect			
<i>Difference with other countries tax rates</i>	-7,287	-3,629	-7,508
<i>Unrecognised tax losses of prior years</i>	-19	820	1,219
	-7,306	-2,809	-6,289
Taxes at current rate	16,853	23,900	35,615
Taxes at reduced rates*	1,146	901	1,697
Tax credits	-253	-46	-956
Other taxes and miscellaneous	322	1,382	2,491
Group income tax payable	18,068	26,137	38,847
<i>effective income tax rate</i>	23.47 %	32.07 %	29.96 %
current income tax	19,612	26,941	37,827
deferred income tax	-1,544	-804	1,020

* Royalties are taxed at a restricted rate of 15.5 %

4. EARNINGS PER SHARE

NET EARNINGS PER SHARE	30/06/2008 6 months	30/06/2007 6 months	31/12/2007 one year
Net profit - Group share (in € thousands)	59,512	62,722	103,547
Total number of shares issued (1)	7,836,800	7,836,800	7,836,800
Treasury shares* (2)	253,095	225,022	221,438
Number of shares used for calculation (1-2)	7,583,705	7,611,778	7,615,362
NET EARNINGS PER SHARE - BASIC (EURO)	7.85	8.24	13.60

* represent all treasury shares held by Somfy SA.

NET EARNINGS PER SHARE - DILUTED	30/06/2008 6 months	30/06/2007 6 months	31/12/2007 one year
Net profit - Group share (in € thousands)	59,512	62,722	103,547
Total number of shares issued (1)	7,836,800	7,836,800	7,836,800
Treasury shares** (2)	196,460	157,034	161,022
Number of shares used for calculation (1-2)	7,640,340	7,679,766	7,675,778
NET EARNINGS PER SHARE - DILUTED (EURO)	7.79	8.17	13.49

** excluding treasury shares allocated to stock option plan.

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VII. NOTES

5. EQUITY

€ thousands	30/06/2008	31/12/2007
Capital	7,837	7,837
Legal reserve	791	791
Share premium	1,866	1,866
Translation adjustment	-5,421	-3,683
Other reserves	594,376	538,931
Net profit for the year	59,512	103,547
EQUITY (GROUP SHARE)	658,961	649,289

The impact of treasury shares and fair values is disclosed in the statement of changes in equity.

6. BUSINESS COMBINATIONS AND GOODWILL

€ thousands	Amount 31/12/2007	Change in Scope	Translation adjustment & Other	Amount 30/06/2008
BFT SpA	82,387	2,167	-45	84,509
Simu SAS	1,862			1,862
Cotherm Participations	9,571		445	10,016
Domis	1,091			1,091
Lian Da	5,768		-23	5,745
PDT Technology	416		-31	385
Divers	444		-1	443
TOTAL	101,539	2,167	345	104,051
Gaviota & Simbac SL (*)	9,068	-	-	9,068
Faac SpA (**)	1,243	-	-1,243	0
Firstinnov (*)	1,888	-	-	1,888
TOTAL	113,738	2,167	-898	115,007

(*) Goodwill arising on equity accounted companies is recorded under the heading "equity accounted company".

(**) Faac SpA, equity-accounted until December 31st, 2007 and subsequently treated as an investment held for disposal.

No impairment was recognised at June 30th, 2008.

Acquisition goodwill generated by newly acquired entities may be allocated to intangible non-current assets for a period of one year following the acquisition date (allocation period).

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

VII. NOTES

7. INTANGIBLE NON-CURRENT ASSETS

€ thousands	Development costs	Patents and brands	Software	Other	Work in progress and advance payments	Total 2008
Gross value at January 1st	11,138	6,655	25,313	646	2,571	46,323
Acquisitions	-	43	431	28	1,268	1,770
Disposals	-	-	-247	-2	-	-249
Impact of changes in foreign exchange rates	-	-306	-31	-16	1	-352
Impact of changes in scope	-	-	7	-	-	7
Other movements	1,635	-	9	71	-1,689	26
AT JUNE 30th, 2008	12,773	6,392	25,482	727	2,151	47,525
Accumulated amortisation at January 1st	-1,627	-2,241	-17,358	-474	0	-21,700
Amortisation charges for the financial year	-1,028	-227	-1,032	-38	-	-2,325
Disposals	-	-	232	2	-	234
Impact of changes in foreign exchange rates	-	94	25	7	-	126
Impact of changes in scope	-	-	-6	-	-	-6
Other movements	-	-	6	0	-	6
AT JUNE 30th, 2008	-2,655	-2,374	-18,133	-503	0	-23,665
NET VALUE AT JUNE 30th, 2008	10,118	4,018	7,349	224	2,151*	23,860

* of which K€ 1,077 of current development expenses.

Other movements in development costs were transfers from work-in-progress to development costs.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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8. PROPERTY, PLANT AND EQUIPMENT

€ thousands	Land	Buildings	Machinery and tools	Other	Work in progress and advance payments	Total 2008
Gross value at January 1st	12,244	95,414	157,506	36,741	13,593	315,498
Acquisitions	-	-13	5,221	1,922	10,816	17,946
Disposals	-162	-661	-2,639	-1,586	-	-5,048
Impact of changes in foreign exchange rates	8	49	-221	-215	-14	-393
Impact of changes in scope	-	-	31	202	-	233
Other movements	-	11,631	3,226	-1,495	-13,667	-305
AT JUNE 30th, 2008	12,090	106,420	163,124	35,569	10,728	327,931
Accumulated amortisation at January 1st	-115	-32,264	-97,002	-22,980	0	-152,361
Depreciation charges for the financial year	-1	-1,888	-5,614	-1,754	-	-9,257
Disposals	-	1	2,261	1,453	-	3,715
Impact of changes in foreign exchange rates	-	-36	134	149	-	247
Impact of changes in scope	-	-	-11	-85	-	-96
Other movements	-	-382	238	417	-	273
AT JUNE 30th, 2008	-116	-34,569	-99,994	-22,800	0	-157,479
NET VALUE AT JUNE 30th, 2008	11,974	71,851	63,130	12,769	10,728	170,452

The net book value of property, plant and equipment relating to changes in the consolidation scope was € 137 thousand.

9. EQUITY ACCOUNTED COMPANIES

€ thousands	30/06/2008	31/12/2007
Opening share of equity	153,049	152,194
Changes in consolidation scope (**)	-	2,200
Fair value movements (*)	-	-2,135
Share of net profit for the financial year	1,055	13,053
Dividends paid	-816	-12,050
Other (***)	-131,191	-
Translation adjustment	-	-213
CLOSING SHARE OF EQUITY	22,097	153,049

(**) Fair value relates to assets available for sales owned by Faac (K€ 32,162 on December 31st, 2007) and deferred tax related to a tax impact (K€ -800 in 2007).

(**) Acquisition of company Firstinnov.

(***) Faac SpA, equity accounted as from January 1st, 2008 and subsequently treated as an investment held for disposal.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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10. FINANCIAL ASSETS

€ thousands	30/06/2008	31/12/2007
Financial assets available for sales	233,337	95,601
– Investments in uncontrolled companies	205,496	66,411
– Marketable securities	27,841	29,190
Loans (*)	881	884
Others	1,999	2,055
NON-CURRENT AND CURRENT FINANCIAL ASSETS	236,217	98,540
Due within 1 year	27,986	28,316
NON-CURRENT FINANCIAL ASSETS	208,231	70,224

(*) Including a K€ 130 provision at 31/06/08 and K€ 122 at 31/12/2007

The increase in “Investments in non-controlled companies” was due to the Faac company, the shares of which having been treated since January 1st, 2008 as financial assets held for disposal and measured using the future cash flow method, after deducting a marketability discount.

The value thus established was € 141.0 million. Faac was equity accounted at December 31st, 2007. The difference between the capitalised cost of the asset and the fair value established using the above mentioned method was € 7.6 million (net of deferred taxation on the share of costs and expenses measured on the capital gain), which was directly taken to equity.

Other non-consolidated securities (primarily the Agta Record company), as well as marketable securities, were recognised at fair value. Resulting capital gains after deferred taxation totalled € 32.8 million at June 30th, 2008, compared to € 40.9 million at December 31st, 2007. The decline in fair value over the period was € 8.1 million, which was directly taken to equity.

Total fair value movements in financial assets held for disposal thus amounted to a negative € 470 thousand at June 30th, 2008.

11. INVENTORIES

€ thousands	30/06/2008	31/12/2007
Gross values		
Raw material and other supplies	35,864	35,129
Finished products and merchandise	74,725	68,634
TOTAL	110,589	103,763
Provisions	-8,080	-7,735
NET VALUE	102,509	96,028

€ thousands	Value at 31/12/2007	Net provision charges	Translation adjustment	Other movements	Value at 30/06/2008
Provisions on inventories	-7,735	-391	55	-9	-8,080

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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12. PROVISIONS

NON-CURRENT PROVISIONS	€ thousands	Provisions for guarantees	Provisions for litigations	Provisions for agents	Provisions for risks and various	Total 2008
At January 1st		3,089	1,140	690	1,689	6,608
Charges		263	35	30	452	780
Used reversals		-	-581	-34	-31	-646
Unused reversals		-	-38	-7	-4	-49
Impact of translation adjustment		-17	-	-	-14	-31
Other movements		7	-	-	203	210
AT JUNE 30th, 2008		3,342	556	679	2,295	6,872

Provision charges, net of used and unused reversals, had a € 301 thousand negative impact on profit from operations and a positive € 216 thousand impact on other operating revenue and charges.

CURRENT PROVISIONS	€ thousands	Provisions for guarantees	Provisions for litigations	Provisions for liabilities and other risks	Total 2008
At January 1st		2,486	909	1,580	4,975
Charges		170	114	64	348
Used reversals		-	-227	-520	-747
Unused reversals		-	-	-143	-143
Impact of translation adjustment		-12	-	-	-12
Other movements		-	9	-211	-202
AT JUNE 30th, 2008		2,644	805	770	4,219

Provision charges, net of used and unused reversals, had a € 120 thousand positive impact on profit from operations and a positive € 422 thousand impact on other operating revenue and charges.

13. FINANCIAL DEBT

€ thousands	30/06/2008	31/12/2007
Borrowings from credit institutions	111,711	21,058
Lease borrowings	28,430	27,922
Misc. Borrowings and financial debts	483	444
NON-CURRENT AND CURRENT FINANCIAL DEBTS	140,624	49,424
Due within one year	61,757	12,737
CURRENT FINANCIAL DEBTS	78,867	36,687

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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14. NET DEBT

€ thousands	30/06/2008	31/12/2007
Financial debts	140,624	49,424
Financial assets	28,847	30,180
– Marketable securities	27,841	29,190
– Other	1,006	990
Cash and cash equivalents	146,819	89,398
NET CASH SURPLUS	35,042	70,154

In order to begin negotiations with CIAT's shareholders, Somfy had to block funds totalling € 93 million on some of its own bank accounts, virtually all of which was drawn from its credit lines. These movements of funds markedly increased captions "increase in borrowings" and "cash and cash equivalents – closing balance".

15. ANALYSIS OF CASH FLOW STATEMENT

15.1 CASH AND CASH EQUIVALENTS

€ thousands	30/06/2008	31/12/2007	30/06/2007
OPENING BALANCE	88,548	99,746	99,746
Opening cash and cash equivalents	89,398	100,046	100,046
Bank overdrafts	-850	-300	-300
CLOSING BALANCE	143,840	88,548	45,215
Closing cash and cash equivalents	146,819	89,398	48,620
Bank overdrafts	-2,979	-850	-3,405

VII. NOTES

15.2 SUBSIDIARY ACQUISITIONS, NET OF CASH POSITION ACQUIRED

Somfy Group made the acquisition of 2 companies, **BFT Sud-Ouest** and **BFT Languedoc**, neither of which had a significant impact.

The fair value of assets and liabilities acquired at June 30th, 2008 are presented in the table below. The allocation period being 1 year, these fair values are liable to change by December 31st, 2008.

Acquisition goodwill may be allocated to intangible non-current assets by the end of December.

€ thousands	Total
Acquisition goodwill	2,167
Net non-current assets	148
Other non-current receivables	0
Deferred tax asset	50
Inventories	315
Trade receivables	894
Other current receivables	13
Current tax asset	0
Cash and cash equivalents	441
Deferred tax liability	0
Other non-current liabilities	-12
Current and non-current loans	-56
Non-current provisions	0
Trade payables	-632
Other current liabilities	-671
Tax liabilities	-208
Share acquired in associate companies	-5
TOTAL ACQUISITION COST	2,444
LESS: ACQUIRED CASH	-441
CASH FLOW FROM THE ACQUISITION AFTER DEDUCTION OF ACQUIRED CASH	2,003

15.3 ANALYSIS OF MOVEMENT IN WORKING CAPITAL REQUIREMENTS

€ thousands	30/06/2008	31/12/2007
Net movement in inventories	-7,015	-13,056
Net movement in trade receivables	-44,022	-5,310
Movement in trade payables	10,394	-5,773
Movement in other receivables and liabilities	4,744	1,016
MOVEMENT IN WORKING CAPITAL REQUIREMENTS	-35,899	-23,123

VII. NOTES

16. CONSOLIDATION SCOPE

All companies' exercises are closed on December 31st

Company name	Head office	% controlled 30/06/2008	% held 30/06/2008	% held 31/12/2007
Somfy SA	74300 Cluses (France)	(parent company)		
FULLY CONSOLIDATED COMPANIES				
Somfy SAS	74300 Cluses (France)	100.00	100.00	100.00
Spirel SAS	73660 St Rémy de Maurienne (France)	100.00	100.00	100.00
Somfy GmbH	Rottenburg (Germany)	100.00	100.00	100.00
Somfy Ges. mbH	Elsbethen-Glasenbach (Austria)	100.00	100.00	100.00
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
Somfy AB	Limhamn (Sweden)	100.00	100.00	100.00
Somfy BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
Somfy Systems Inc.	Cranbury NJ (United States)	100.00	100.00	100.00
Somfy Italia Srl	Trezzano sul Naviglio (Italy)	100.00	100.00	100.00
Somfy AG	Bassersdorf (Switzerland)	100.00	100.00	100.00
Somfy K.K.	Yokohama (Japan)	100.00	100.00	100.00
Somfy Espana SA	Barcelone (Spain)	100.00	100.00	100.00
NV Somfy SA	Zaventem (Belgium)	100.00	100.00	100.00
Somfy Middle East Co Ltd	Limassol (Republic of Cyprus)	100.00	100.00	100.00
Somfy Ltd	Yeadon (England)	100.00	100.00	100.00
Somfy PTY Ltd	Rydalmere (Australia)	100.00	100.00	100.00
Somfy Joo	Seoul (Korea)	100.00	100.00	100.00
Somfy PTE Ltd	Singapore	100.00	100.00	100.00
Somfy Co Ltd	Hong Kong	100.00	100.00	100.00
Lian Da	Zhejiang (China)	80.00	80.00	80.00
Somfybat SNC	74300 Cluses (France)	100.00	100.00	100.00
Somfy Maroc SarL	Casablanca (Marocco)	100.00	100.00	100.00
Somfy Hellas SA	Athenes (Greece)	100.00	100.00	100.00
Somfy Mexico SA DE CV	Edo de Mex. (Mexique)	100.00	100.00	100.00
Somfy Brazil LTDA	Sao Paulo (Brazil)	100.00	100.00	100.00
Somfy India Pvt Ltd	New Dehli (India)	100.00	100.00	100.00
Simu SAS	70100 Gray (France)	100.00	100.00	100.00
Simu U.S.A. Inc	Boca Raton FL (United States)	100.00	100.00	100.00
Simu GmbH	Iserlohn (Germany)	100.00	100.00	100.00
Simu RT SPOL SRO	Zlin (Czech Republic)	100.00	100.00	100.00
Somfy ULC	Halifax (Canada)	100.00	100.00	100.00
Hal en Co BV	Maastricht (Netherlands)	100.00	100.00	100.00
WAY SRL	Galliera Bologne (Italy)	100.00	100.00	100.00
Siminor Technologies Castres Sarl	81100 Castres (France)	100.00	100.00	100.00
Domis SA	74150 Rumilly (France)	100.00	100.00	100.00
Harmonic Design	Californie 91355 (United States)	100.00	100.00	100.00
Sisa Home Automatisat LTD	Rishone Le Zion (Israel)	100.00	100.00	100.00
Somfy China LTD	Shanghai (China)	100.00	100.00	100.00
Somfy Russia LLC	Moscou (Russia)	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
Domaster SAS	Cluses (France)	100.00	100.00	100.00
Somfy Ev Otomasyon Sistemleri Ticalet Ltd Sti	Usküd (Turkey)	100.00	100.00	100.00
Sun Protection Technology GmbH	Rottenburg (Germany)	100.00	100.00	100.00
Stehle Hungaria Bt	Györ (Hungary)	100.00	100.00	100.00
PD Technology Ltd	Bradford (UK)	100.00	100.00	100.00
DSG	Mouscron (Belgium)	99.98	99.98	99.98
BFT SpA	Schio (Italy)	100.00	100.00	100.00
SARL Automatismes BFT France SAS	Lyon (France)	100.00	100.00	100.00
BFT Group Italiberica de Automatismos	Barcelone (Spain)	98.70	98.70	98.70
BFT Torantriebssysteme GmbH	Furth (Allemagne)	60.00	60.00	60.00
BFT Automation UK Ltd	Stockport (England)	100.00	100.00	100.00
BFT Benelux SA	Nivelles (Belgium)	100.00	100.00	100.00
BFT Adria d.o.o.	Croatia	75.00	75.00	75.00
BFT US Inc.	Boca Raton FL (United States)	100.00	100.00	100.00
BFT Polska Sp.zoo	Warszawa (Poland)	100.00	100.00	100.00
BFT Portugal SA	Coimbra (Portugal)	100.00	100.00	100.00
BFT Gates Systems Limited	Berkshire (UK)	100.00	100.00	100.00
SACS Srl	Borgo Valsugana (Italy)	66.85	66.85	66.85
BFT Sud Ouest SAS	38470 Vinay (France)	90.00	90.00	-
BFT Languedoc SAS	Toulouse (France)	100.00	100.00	-
BFT Automation PTY Limited	Nimes (France)	100.00	100.00	-
BFT Czech Republic	Sydney (Australia)	100.00	100.00	-
Cotherm Participations SAS	Praha (Czech Republic)	65.00	65.00	65.00
Cotherm Développement SA	38470 Vinay (France)	100.00	65.00	100.00
Cotherm SAS	38470 Vinay (France)	100.00	65.00	100.00
Cotherm Tunisie Sarl	Ben Arous (Tunisia)	100.00	65.00	100.00
M&M components Ltd	Suffolk (England)	95.00	61.75	95.00
Cotherm North America	Warwick (United States)	50.00	32.50	50.00
EQUITY ACCOUNTED CONSOLIDATED COMPANIES				
Faac SpA	Bologne (Italy)	-	-	34.00
Gaviota Simbac SL	Sax Alicante (Spain)	46.50	46.50	46.50
Simbac SpA	Mezzago (Italy)	46.50	46.50	46.50
BFT France	Marseille (France)	30.00	30.00	30.00
Firstinnov	Montesson (France)	40.00	40.00	40.00

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17. RELATED PARTIES

€ thousands	30/06/2008	30/06/2007	31/12/2007
Sales	2,705	2,222	4,642
Other revenues	217	170	260
Purchases of good	1,074	1,466	2,600
Other charges	10	20	54
Interest received	19	17	20
Trade receivables	2,560	2,283	1,790
Trade payables	496	827	417
Loans	800	800	800

18. DIVIDENDS PROPOSED

The net dividend proposed at the AGM of May 14th, 2008, called to approve the 2007 financial statements, was € 5.50. It was paid on May 22nd, 2008.

19. POST-BALANCE SHEET EVENTS

● Somfy finalised, on July 17th, the full acquisition of the share capital of NMP, **Zurflüh Feller's** holding company. Conditions precedents had been met following approval by the French and Germany competition authorities.

Established in 1920, Zurflüh Feller is based in Autechaux-Roide (Doubs, France). The Company specialises in designing and manufacturing roller shutter components and accessories (winches, fasteners, reeling drums, cranks...). As a highly industrially-integrated company, Zurflüh Feller has total control over production and quality and holds a significant patent portfolio. Its customers are roller shutter manufacturers and distributors.

Zurflüh Feller reported 2007 net sales of € 58.8 million and net profit of € 7.4 million.

The acquisition was carried out as part of a leverage buy-out transaction, in respect of which Somfy had to pay € 29 million up-front.

● Somfy finalised, on July 23rd, its investment in **CIAT Group**, along with part of the company's family shareholders and management team.

Somfy now holds 40% of CIAT Group, the holding company that took over CIAT, for an equity investment of € 33.6 million. This investment will be equity accounted.

Part of the family shareholders that previously had a shareholding in CIAT re-invested in CIAT Group and now hold 56.4% of the share capital. The management holds the remaining 3.6%.

Relations between shareholders are defined in an agreement. The main provisions of this agreement are a put option, exercisable by the family shareholders in 2012 and a call option exercisable by Somfy in 2013.

BUSINESS REPORT FOR 1st SEMESTER OF 2008

SALES

1st half-year Group sales were € 390.7 million, an increase of 1.5% in real terms and 3.3% at constant foreign exchange rates.

Somfy Operations sales were € 376.1 million. This is an increase of 3.1% at constant foreign exchange, which reflects a slowdown over recent months as a result of the general deterioration in market conditions in several countries.

- **France** saw some acceleration in its growth during the second quarter and closed the half-year with a 3.9% rise.
- **Germany** declined by 3.6%, a figure that masks a marked improvement in the downward trend between the first and second quarter (down 6.6% and 1.2%, respectively).
- **Northern Europe** also fell by 1.8%. This dip can be put down to a slow start to business in the UK at the beginning of the year and to the deteriorating situation in Benelux over the last months of the period.

- **Southern Europe** achieved 5.7% growth, which masked diverse situations: growth in Israel and Greece but decline in Spain, a country that is severely affected by the crisis in the property market.
- **Eastern Europe** grew by 10.1%. This performance was attributable to the vigour of Poland, Hungary and Romania.
- Lastly, **Asia-Pacific** was up 10.1%, driven by strong growth in China and South-East Asian countries. **America** reported 4.6% growth (down 6.2% in real terms due to the depreciation of the US dollar).

Somfy Investments achieved sales of € 14.6 million. This is an increase of 7.8% at constant foreign exchange rates and is fully attributable to Cotherm's contribution.

CONSOLIDATED DATA	€ thousands	30/06/2008	30/06/2007	Change 2007/2008
Sales		390.7	384.8	+1.5%
Operating current income		77.3	81.3	-5.0%
Operating income		77.3	79.7	-2.9%
Income before income tax		77.0	81.5	-5.6%
Income tax		(18.1)	(26.1)	-30.9%
Share of associate companies earnings		1.1	7.6	Ns
Net income		60.0	63.0	-4.8%
NET PROFIT, EXCLUDING FAAC		60.0	57.4	+4.5%

Note: Somfy is currently organised into two separate divisions: Somfy Activities which is dedicated to the Group's core business of automation of openings and closures in residential and commercial buildings; Somfy Participations which is dedicated to investments and shareholdings in industrial companies outside the core business of the Group. Faac has been removed from the company's scope of consolidation as from January 1st, 2008 and is now booked as a financial asset available for sale.

RESULTS

Operating income for the period went from € 81.3 to € 77.3 million (19.8% of sales) and earnings before taxes fell from € 81.5 to € 77.0 million.

The decline in operating profit masks contrasting developments item by item: slight improvement in the gross profit margin, in spite of the increase in raw materials and the decline in selling prices; increase in structure costs. In particular, personnel costs were adversely affected by recruitments made last year by product development and sales teams.

Net profit fell by 4.8%, from € 63.0 to € 60.0 million. This takes account of a decrease in the income tax charge and a change in accounting method affecting the contribution of equity accounted subsidiaries.

- The decrease in the tax charge was brought by the development of the activity outside Europe and lower taxation rates in Germany and Italy.

- Profit from equity accounted companies declined by € 6.5 million, Italian company Faac having exited the consolidation scope at January 1st, 2008 due to the loss of influence by Somfy in Faac's Board of Directors.

Excluding Faac, the Group's 2007 net profit would have increased by 4.5%.

NET CASH SURPLUS

The net cash surplus was € 35.0 million at end June 2007, an increase of € 11.3 million from the same time last year.

SEASONALITY

Somfy Group usually achieves about 55% of its sales in the first half of the year.

CHANGES IN CONSOLIDATION SCOPE

● Somfy made the acquisition, via its BFT SpA subsidiary, of two companies:

- **BFT Sud-Ouest**, of which 90% of the share capital was acquired for a price of € 1.8 million. As regards the remaining 10%, the two parties agreed to a call and respective put option that both parties may exercise from January 1st, 2013. This company was consolidated in Somfy Group's financial statements from January 1st, 2008. At June 30th, 2008, BFT Sud-Ouest contributed € 1.7 million to Somfy Group sales.

- **BFT Languedoc**, acquired in full for an acquisition price of € 0.5 million. This company was consolidated in Somfy Group's financial statements from January 1st, 2008. At June 30th, 2008, BFT Languedoc contributed € 0.5 million to Somfy Group sales.

● Somfy took note of the recent loss of significant influence in Faac and decided as a result to exclude this company from its consolidation scope from January 1st, 2008. This loss of significant influence occurred gradually over the past few years and was marked in particular by Somfy's inability to influence the company's dividend distribution policy, notably in respect of the 2006 and 2007 financial years, and by not being associated to certain strategic or operating decisions. It must also be noted there are no or no longer any significant transactions between Somfy and the Company (absence of exchange of senior executives or provision of essential technical information).

Somfy's 34% investment in Faac's share capital, previously equity accounted, was recognised as an asset held for disposal.

The company will only contribute to Somfy's financial performance through its dividends as of January 1st, 2009. Note: Faac's contribution to Somfy Group's net profit amounted to € 10.7 million in 2007, for an equity investment valued at € 131.2 million.

Since Faac is not a listed company, the fair value of the securities was measured using the future cash flow method, after deducting a marketability discount. The value thus established was € 141.0 million. The difference between the capitalised cost of the asset posted to the balance sheet at January 1st, 2008 (identical to the equity investment value) and the fair value established using the above mentioned method was € 7.6 million (net of deferred taxation on the share of costs and expenses), which was directly taken to equity.

OUTLOOK

The slowdown observed at the end of the first half-year and poor consumption forecasts in Europe lead the Group to be prudent for the second half, especially as regards expenditure commitments. However, Somfy's commercial positions remain quite sound and innovation and communication plans are in line with previous years.

RELATED PARTIES

The main transactions between Somfy and non-consolidated related parties may be summarised as follows:

- Balance sheet:
 - a loan granted by Somfy to a related company,
 - trade receivable/payable accounts as a result of Somfy's business relations with these subsidiaries.
- Income statement:
 - financial income related to the loan,
 - merchandise sales/purchases.

SOMFY SA

At June 30th, 2008, Somfy SA had generated sales of € 0.8 million. The net finance income was € 72.8 million, including € 75.7 million in dividends paid by the subsidiaries in respect of their net profit at December 31st, 2007.

Net profit was € 71.8 million, after taking account of a € 2.7 million tax grouping income.

Statement from individuals responsible for the half-year report

Pursuant to the provisions of Article 222-4 of the General Regulations of the Autorité des Marchés Financiers, we certify that, to the best of our knowledge, the financial statements have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, financial position and financial performance of companies included in consolidation and that the half-year business report gives a true and fair view of disclosures mentioned in Article 222-6.

Cluses, August 28th, 2008

Management Board

Paul Georges Despature
Chairman

Wilfrid Le Naour
Chief Executive Officer

Nicolas Duchemin
Member

STATUTORY AUDITORS' REPORT ON THE 2008 INTERIM FINANCIAL REPORTING

Dear shareholders,

In execution of our mandate conferred to us by your General Meeting and pursuant to Articles L. 232-7 of the Commercial Code and 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 January 1st to June 30th, 2008; and
- A review of information disclosed in the interim business report.

The consolidated financial statements have been prepared by the Board of Directors. It is our responsibility to express an opinion, 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, August 29th, 2008,

The Statutory Auditors

LEDOUBLE
Dominique Ledouble

ERNST & YOUNG Audit
Daniel Mary-Dauphin