HALF YEAR FINANCIAL REPORT END OF JUNE 2010

somfy

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. Annecy

somfy

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I. CONSOLIDATED INCOME STATEMENT

€ thousands	Notes	30/06/10 HY1	30/06/09* HY1	31/12/09* FY
SALES		**439,869**	**391,387**	**760,777**
Other operating income		5,809	4,054	10,028
Cost of sales		-138,157	-126,635	-248,310
Employee expenses		-130,946	-119,134	-235,096
External expenses		-71,424	-63,887	-127,085
EBITDA		**105,150**	**85,785**	**160,314**
Amortisation		-15,780	-15,277	-34,472
Charges/reversals to current provisions		-68	-1,071	-1,619
CURRENT OPERATING RESULT		**89,301**	**69,437**	**124,222**
Other operating income and expenses	(1)	-2,574	-505	-13,792
Impairment of goodwill and amortisation of allocated intangible assets	(6) (7)	-2,680	-4,758	-5,472
OPERATING RESULT		**84,047**	**64,174**	**104,959**
Financial income from investments		*3,183*	*3,813*	*6,651*
Financial expenses related to borrowings		*-3,857*	*-4,028*	*-7,707*
Net debt servicing cost		-674	-215	-1,056
Other financial income and expenses		6,854	7,517	7,443
NET FINANCIAL INCOME	(2)	**6,180**	**7,302**	**6,387**
PROFIT BEFORE TAX		**90,227**	**71,476**	**111,346**
Income tax	(3)	-19,964	-14,699	-21,472
Share of profit of equity accounted companies	(9)	-7,708	-1,192	-2,023
NET PROFIT		**62,555**	**55,585**	**87,851**
Net profit - Group share		62,316	56,512	88,391
Non-controlling interests		239	-927	-540
Basic earnings per share (€)	(4)	8.21	7.45	11.65
Diluted earnings per share (€)	(4)	8.14	7.38	11.54

** Pursuant with IFRS 3, the allocation of goodwill in respect of Pujol, Energy Eye, Sirem and CIAT was made on a preliminary basis in the 2009 half-year and annual financial statements. Additional allocation work was carried out within the one-year allocation timeframe, which led to restatements at June 30th and December 31st, 2009.*

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ thousands	30/06/10	30/06/09
NET PROFIT	**62,555**	**55,585**
Movement in gains and losses on translation of foreign currency	6,619	1,710
Movement in fair value of available-for-sale assets	4,614	1,507
Movement in fair value of interest rate hedges	-710	-814
Movement in tax on income and expenses recognised directly in reserves	-1,483	-423
INCOME AND EXPENSES RECOGNISED DIRECTLY IN RESERVES	**9,040**	**1,980**
NET PROFIT FOR THE PERIOD (1)	**71,595**	**57,565**
Group share	71,369	58,516
Attributable to non-controlling interests (1)	226	-951

(1) The difference between the profit and the statement of changes in equity represent the recognition of put options granted to non-controlling interests: € 269 thousand at June 30th, 2010 and € 922 thousand at June 30th, 2009.

III. CONSOLIDATED BALANCE SHEET

ASSETS			€ thousands
NON-CURRENT ASSETS	**Notes**	**30/06/10 Net**	**31/12/09* Net**
Goodwill	(6)	149,651	145,461
Intangible assets	(7)	54,394	54,163
Property, plant and equipment	(8)	209,213	209,709
Equity accounted companies	(9)	51,037	58,647
Financial assets	(10)	267,446	260,470
Other receivables		3,733	4,200
Deferred tax assets		23,401	21,794
Employee benefits		726	705
TOTAL		**759,602**	**755,148**
CURRENT ASSETS			
Inventory	(11)	109,895	100,093
Trade receivables		186,942	134,040
Other receivables		20,814	13,009
Current tax assets		5,479	10,838
Financial assets	(10)	1,777	1,905
Derivative instruments		53	150
Cash and cash equivalents		82,463	67,872
TOTAL		**407,424**	**327,908**
TOTAL ASSETS		**1,167,027**	**1,083,056**

EQUITY AND LIABILITIES			€ thousands
SHAREHOLDERS' EQUITY	**Notes**	**30/06/10**	**31/12/09***
Share capital		7,837	7,837
Share premium		1,866	1,866
Other reserves		682,538	621,144
Profit for the year		62,316	88,391
Group share		***754,558***	***719,239***
Non-controlling interests		-56	-12
TOTAL		**754,502**	**719,227**
NON-CURRENT LIABILITIES			
Non-current provisions	(12)	8,913	9,456
Other financial liabilities	(13)	87,089	77,916
Other liabilities		9,925	13,151
Employee benefits		13,603	13,129
Deferred tax liabilities		52,869	50,919
Derivative instruments		4,227	3,196
TOTAL		**176,626**	**167,766**
CURRENT LIABILITIES			
Current provisions	(12)	18,852	18,577
Other financial liabilities	(13)	33,316	38,388
Trade payables		92,146	76,751
Other liabilities		75,186	59,412
Tax liabilities		13,624	2,309
Derivative instruments		2,777	626
TOTAL		**235,900**	**196,063**
TOTAL EQUITY AND LIABILITIES		**1,167,027**	**1,083,056**

** Pursuant with IFRS 3, the allocation of goodwill in respect of Pujol, Energy Eye and Sodim was made on a preliminary basis in the 2009 half-year and annual financial statements. Additional allocation work was carried out within the one-year allocation timeframe, which led to restatements at June 30th and December 31st, 2009.*

IV. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ thousands	Capital (1)	Share premium	Treasury shares	Gain/loss on available-for-sale assets	Actuarial differences	Interest rate hedges	Deferred tax	Changes in foreign exchange rate	Consolidated reserves and net profit	Total shareholders' equity	Non-controlling interests	Total shareholders' equity (Group share)
AT DECEMBER 31st, 2009	**7,837**	**1,866**	**-40,875**	**20,073**	**-1,099**	**-1,044**	**2,442**	**-3,935**	**733,962**	**719,227**	**-12**	**719,239**
Income and expenses recorded during the year	-	-	-	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
AT JUNE 30th, 2010	**7,837**	**1,866**	**-40,711**	**24,687**	**-1,099**	**-1,754**	**959**	**2,684**	**760,033**	**754,502**	**-56**	**754,558**

(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 rate differences on profit included in equity.

€ thousands	Capital (1)	Share premium	Treasury shares	Gain/loss on available-for-sale assets	Actuarial differences	Interest rate hedges	Deferred tax	Changes in foreign exchange rate	Consolidated reserves and net profit	Total shareholders' equity	Non-controlling interests	Total shareholders' equity (Group share)
AT DECEMBER 31st, 2008	**7,837**	**1,866**	**-41,637**	**27,555**	**-3,522**	**0**	**3,336**	**-6,098**	**681,010**	**670,347**	**-256**	**670,603**
Income and expenses recorded during the year	-	-	-	1,507	-	-814	-423	1,710	56,507	58,487	-29	58,516
Treasury share transactions	-	-	216	-	-	-	-	-	265	481	-	481
Dividends	-	-	-	-	-	-	-	-	-36,403	-36,403	-12	-36,391
Other movements (2)	-	-	-	-	-	-	-	-	179	179	-42	221
AT JUNE 30th, 2009	**7,837**	**1,866**	**-41,421**	**29,062**	**-3,522**	**-814**	**2,913**	**-4,388**	**701,558**	**693,091**	**-339**	**693,430**

(1) Share capital is comprised of 7,836,800 shares with a par value of €1. No change occurred during the first half-year 2009.
(2) Changes in consolidation scope, foreign exchange rate differences on profit included in equity.

V. CONSOLIDATED CASH FLOW STATEMENT

€ thousands	Notes	30/06/10 HY1	30/06/09* HY1	31/12/09* FY
OPERATING ACTIVITIES				
Net profit		**62,555**	**55,585**	**87,851**
Depreciation and amortisation of assets (excluding current assets)		18,443	20,304	44,537
Charges to and reversals of provisions for liabilities		-631	1,311	1,418
Unrealised gains and losses on assets at fair value through profit or loss		2,568	-1,308	-1,513
Unrealised foreign exchange gains and losses		-4,058	147	-1,049
Income and expenses related to stock-options and employee benefits		1,596	2,048	3,475
Depreciation, amortisation, provisions and other non-cash items		**17,918**	**22,501**	**46,868**
Profit on disposal of assets and others		1,769	187	4,998
Share of profit of equity accounted companies		7,708	1,192	-1,865
Deferred tax expense		-277	260	5,385
Cash flow		**89,673**	**79,725**	**143,237**
Net cost of financial indebtedness (excluding non-cash items)		355	897	1,557
Dividends of non-consolidated companies		-6,577	-7,950	-7,952
Tax expense (excluding deferred tax)		20,240	14,446	16,087
Change in working capital requirements	(15)	-30,680	-19,401	25,126
Tax paid		-3,424	6,050	-6,731
NET CASH GENERATED FROM OPERATIONS (A)		**69,588**	**73,767**	**171,324**
INVESTING ACTIVITIES				
Acquisition-related disbursements:				
- intangible assets and property, plant and equipment		-16,051	-19,540	-30,686
- non-current financial assets		-2,408	-259	-1,209
Disposal-related proceeds:				
- intangible assets and property, plant and equipment		107	556	514
- non-current financial assets		91	25	153
Change in current financial assets		668	25,846	24,956
Acquisition of companies, net of cash acquired	(5)	-6,015	-6,969	-20,244
Dividends paid by non-consolidated companies		1,257	2,016	8,138
Interest received		250	1,748	2,173
NET CASH USED IN INVESTING ACTIVITIES (B)		**-22,101**	**3,423**	**-16,205**
FINANCING ACTIVITIES				
Increase in loans		10,211	6,033	5,926
Reimbursement of loans		-9,131	-44,331	-104,065
Net increase in share capital of the subsidiaries			350	696
Dividends paid		-36,454	-36,403	-36,392
Movement on treasury shares		228	250	908
Interest paid		-2,826	-5,186	-8,379
NET CASH GENERATED (USED) IN FINANCING ACTIVITIES (C)		**-37,972**	**-79,287**	**-141,307**
Impact of changes in foreign exchange rates on cash and cash equivalents (D)		**2,758**	**841**	**1,417**
NET CASH INFLOW (OUTFLOW) (A+B+C+D)		**12,271**	**-1,258**	**15,229**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(15)	**66,974**	**51,744**	**51,744**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(15)	**79,245**	**50,486**	**66,974**

** Pursuant with IFRS 3, the allocation of goodwill in respect of Pujol, Energy Eye, Sirem and CIAT was made on a preliminary basis in the 2009 half-year and annual financial statements. Additional allocation work was carried out within the one-year allocation timeframe, which led to restatements at June 30th and December 31st, 2009.*

VI. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. APPROVAL OF FINANCIAL STATEMENTS

On August 30th, 2010, the Supervisory Board examined Somfy group's condensed consolidated financial statements at June 30th, 2010.

2. HIGHLIGHTS

- **Somfy Activities** wrote down the goodwill of SACS and Energy Eye:

- The outlook of SACS, a subsidiary of BFT SpA specialised in car park access systems (tellers and barriers), has deteriorated compared to the acquisition business plan. The goodwill of € 0.7 million was fully written down.

- Investments in the North American hotel sector remain on hold, which has a significant adverse impact on Energy Eye as this is its main market. The company had also started to expand into Australia and Mexico, two markets that experienced a serious slowdown. The combinations of these two factors led management to review the business plan and recognise goodwill impairment of € 1.0 million.

- **Somfy Participations** wrote € 5.8 million off the carrying value of CIAT, a 40%-owned subsidiary that manufactures equipment for renewable energy air conditioning, thermal exchange, air treatment and heating applications. This write-down followed indications of impairment (-12.4% and -76.6% declines in sales and EBITDA, respectively) caused by the difficulties encountered in the French heat pump market. The acquisition business plan featured a significant expansion assumption for this market, which did not meet targets. Managers had to review the long-term budgets and plans, as a consequence of which impairment was recognised.

- Costs relating to the restructuring of the Group's manufacturing capacity initiated in 2009 gave rise to additional net provision charges of € 1.6 million (Bologna and Saint-Rémy-de-Maurienne sites).

- The financial statements at June 30th and December 31st, 2009 were restated following the final allocation of the Sirem, Sodim, CIAT, Pujol and Energy Eye acquisition goodwill (see Note 5 for a detailed analysis of the allocation).

3. CHANGES IN CONSOLIDATION SCOPE

Somfy Activities made the acquisition:

- through its subsidiary BFT SpA, of French distributor **BFT Autoferm**. Somfy acquired the capital in full at a price of € 0.9 million, which generated goodwill of € 0.7 million.
This company was consolidated from the acquisition date (January 2010) and contributed € 0.9 million to Group sales.

- through its newly incorporated subsidiary BFT Istanbul, of **BFT Anatolia**, a distributor of BFT products and garage door and gate fitter.
The capital was acquired in full at a price of € 3.8 million. This acquisition gave rise to the recognition of earn-out estimated at € 1.2 million. Total goodwill of € 4.1 million was generated.
This company was consolidated from the acquisition date (April 2010) and contributed € 1.0 million to Group sales.

These amounts are liable to change during the allocation period.

4. ACCOUNTING RULES AND METHODS

4.1. New applicable standards and interpretations

The interim financial statements at June 30th, 2010 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, 2009, except for the following standards, amendments and interpretations adopted by the European Union, whose application became compulsory for the financial year 2010 but had a limited impact on the Group's interim financial statements:

- Revised IFRS 3 "Business combinations",
- Revised IAS 27 "Consolidated and separate financial statements",
- Amendments to IFRS 2 "Group cash-settled share-based payment transactions",
- Amendment to IAS 39 "Eligible hedged items",
- Improvements to IFRS (April 2009),
- IFRIC 12 interpretation "Service concession agreements",
- IFRIC 15 interpretation "Agreements for the Construction of Real Estate",
- IFRIC 16 interpretation "Hedges of a net investment in a foreign operation",
- IFRIC 17 interpretation "Distributions of non-cash assets to owners",
- IFRIC 18 interpretation "Transfers of assets from customers".

The following other standards, adopted by the European Union for subsequent compulsory application were not applied early:

- Revised IAS 24 "Related party disclosures" applicable from January 1st, 2011,
- Amendments to IAS 32 "Financial instruments – classification of rights issues" applicable from February 1st, 2010,
- IFRIC 19 interpretation "Extinguishing financial liabilities with equity instruments" applicable from July 1st, 2010,
- IFRIC 14 interpretation "Prepayments of a minimum funding requirement applicable from January 1st, 2011.

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

- IFRS 9 "Financial instruments" applicable from January 2013,
- Improvements to IFRS (May 2010) applicable from January 2011.

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 December 31st, 2009.
The Group's consolidated financial statements for the year ended December 31st, 2009 are available upon request from head office.

5. SEASONALITY

Somfy group typically achieves about 55% of its sales in the first half of the year.

VII. SEGMENT REPORTING

The Group is organised into two separate 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 agta record, Cotherm, FAAC, Gaviota-Simbac, Zurflüh-Feller, CIAT and Sirem.

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

Differences do not exist between the accounting policies applied by the segments presented and the accounting policies applied by the Group.

€ thousands	Somfy Activities	Somfy Participations	Other*	Inter-segment	Consolidated
AT JUNE 30th, 2010					
Segment sales	385,072	55,701	-	-905	439,869
Segment profit (current operating result)	81,528	7,837	-64	-	89,301
Share of 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
AT JUNE 30th, 2009					
Segment sales	343,796	48,079	-	-488	391,387
Segment profit (current operating result)	65,886	3,650	-99	-	69,437
Share of profit of equity accounted companies	-44	-1,148	-	-	-1,192
Cash flow	65,411	14,565	-251	-	79,725
Intangible asset and PPE investments	16,878	1,920	-	-	18,798
Goodwill	103,196	35,872	-	-	139,067
Net intangible assets and PPE	200,331	66,645	-	-	266,976
Non-consolidated investments	80	207,264	-	-	207,344
Equity accounted companies	3,517	55,662	-	-	59,179
AT DECEMBER 31st, 2009					
Segment sales	666,571	95,405	-	-1,199	760,777
Segment profit (current operating result)	114,914	9,449	-140	-	124,222
Share of profit of equity accounted companies	-2,306	284	-	-	-2,023
Cash flow	121,059	23,652	-1,474	-	143,237
Intangible asset and PPE investments	26,678	3,511	-	-	30,189
Goodwill	109,733	35,728	-	-	145,461
Net intangible assets and PPE	199,229	64,643	-	-	263,872
Non-consolidated investments	184	198,583	-	-	198,767
Equity accounted companies	1,604	57,043	-	-	58,647

** The column "Other" includes costs which may be attributed neither to Somfy Activities nor Somfy Participations.*

VII. SEGMENT REPORTING

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT BY ASSET LOCATION

€ thousands	30/06/10	30/06/09	31/12/09
France	116,610	121,241	116,954
Germany	8,240	8,905	8,558
Northern Europe	2,867	2,816	2,695
Eastern & Central Europe	2,188	2,064	1,987
Southern Europe, Middle East and Africa	61,522	56,633	60,069
Asia Pacific	4,413	4,025	3,892
Americas	5,579	4,647	5,074
SOMFY ACTIVITIES	**201,419**	**200,331**	**199,229**
SOMFY PARTICIPATIONS	**62,188**	**66,645**	**64,643**
CONSOLIDATED SOMFY	**263,607**	**266,976**	**263,872**

SALES DISTRIBUTION BY CUSTOMERS' LOCATION

€ thousands	30/06/10 HY1	30/06/09 HY1	Variance N/N-1	Variance N/N-1 at constant rate	31/12/09 FY
France	119,730	106,549	12.4%	12.1%	203,504
Germany	54,954	50,359	9.1%	9.1%	101,257
Northern Europe	49,863	46,118	8.1%	6.0%	83,383
Eastern & Central Europe	27,249	24,413	11.6%	6.6%	52,503
Southern Europe, Middle East and Africa	77,630	67,404	15.2%	7.4%	128,373
Asia Pacific	22,723	17,514	29.7%	16.8%	40,280
Americas	32,904	31,423	4.7%	1.3%	57,242
SOMFY ACTIVITIES	**385,053**	**343,780**	**12.0%**	**8.8%**	**666,541**
SOMFY PARTICIPATIONS	**54,816**	**47,607**	**15.1%**	**15.0%**	**94,236**
CONSOLIDATED SOMFY	**439,869**	**391,387**	**12.4%**	**9.6%**	**760,777**

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

1. OTHER OPERATING INCOME AND EXPENSES

€ thousands	30/06/10 HY1	30/06/09 HY1	31/12/09 FY
Charges/reversals to non-current provisions	162	71	-12,231
Other non-current items	-2,210	-388	-710
– Non-current income	*535*	*509*	*844*
– Non current expense	*-2,745*	*-897*	*-1,155*
Net loss on disposal of assets	-526	-188	-851
OTHER OPERATING INCOME AND EXPENSES	**-2,574**	**-505**	**-13,792**

At June 30th, 2010, other operating income and expenses included a € 1.6 million net residual charge for manufacturing capacity restructuring, including € 0.9 million related to the Bologna site which started its restructuring early in 2010.

At December 31st, 2009, non-current provisions relate to the restructuring of stator manufacturing (and its impact on the Spirel company) for € 12.7 million.

2. NET FINANCIAL INCOME

€ thousands	30/06/10 HY1	30/06/09 HY1	31/12/09 FY
Net debt servicing cost	-674	-215	-1,056
– Financial income from investments	*3,183*	*3,813*	*6,651*
– Financial expenses related to borrowings	*-3,857*	*-4,028*	*-7,707*
Effect on foreign currency translation	262	-617	-822
Other	6,592	8,134	8,265
NET FINANCIAL INCOME	**6,180**	**7,302**	**6,387**

FAAC's dividend totalled € 4.6 million at June 30th, 2010, compared to € 6.2 million at June 30th and December 31st, 2009. They are included in other components of the net financial income.

3. CURRENT AND DEFERRED TAX

€ thousands	30/06/10 HY1	30/06/09 HY1	31/12/09 FY
Profit before tax	**90,227**	**71,476**	**111,346**
- Expenses on dividends	*2,828*	*2,147*	*2,094*
- Dividends from non-consolidated companies	*-6,577*	*-7,930*	*-7,951*
- Other	*834*	*-1,136*	*4,172*
Permanent differences	**-2,915**	**-6,919**	**-1,685**
Net profit taxed at reduced rate*	**-8,001**	**-7,203**	**-13,895**
Net profit taxable at standard rate	**79,311**	**57,354**	**95,766**
Tax rate in France	*34.40%*	*34.40%*	*34.40%*
Tax charge recalculated at the French standard rate	**27,283**	**19,730**	**32,943**
Tax at reduced rate*	**1,240**	**1,116**	**2,153**
- Difference in standard rate in foreign countries	*-11,291*	*-9,057*	*-16,415*
- Tax losses for the year, unrecognised in previous periods, deficits used	*879*	*2,138*	*2,115*
Effect of the tax difference	**-10,412**	**-6,919**	**-14,300**
Tax credits	**-786**	**-213**	**-1,085**
Other taxes and miscellaneous	**2,639**	**986**	**1,761**
Group tax	**19,964**	**14,699**	**21,472**
Effective rate	*22.13%*	*20.57%*	*19.28%*
Current tax	**20,241**	**14,446**	**16,088**
Deferred tax	**-277**	**253**	**5,384**

** Royalties taxed at reduced rate (15.5%).*

4. EARNINGS PER SHARE

EARNINGS PER SHARE	30/06/10 HY1	30/06/09 HY1	31/12/09 FY
Net profit - Group share (€ thousands)	62,316	56,512	88,391
Total number of shares (1)	7,836,800	7,836,800	7,836,800
Treasury shares* (2)	248,154	254,628	249,909
Number of shares used in calculation (1)-(2)	7,588,646	7,582,172	7,586,891
BASIC EARNINGS PER SHARE (€)	**8.21**	**7.45**	**11.65**

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

DILUTED EARNINGS PER SHARE	30/06/10 HY1	30/06/09 HY1	31/12/09 FY
Net profit - Group share (€ thousands)	62,316	56,512	88,391
Total number of shares (1)	7,836,800	7,836,800	7,836,800
Treasury shares** (2)	177,064	178,760	177,199
Number of shares used in calculation (1)-(2)	7,659,736	7,658,040	7,659,601
DILUTED EARNINGS PER SHARE (€)	**8.14**	**7.38**	**11.54**

*** 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 of the first half-year 2010

Somfy Activities made the acquisition:

- through its subsidiary BFT SpA, of French distributor **BFT Autoferm**. Somfy acquired the capital in full at a price of € 0.9 million, which generated goodwill of € 0.7 million.
- through its newly incorporated subsidiary BFT Istanbul, of **BFT Anatolia**, a distributor of BFT products and garage door and gate fitter.
  The capital was acquired in full at a price of € 3.8 million. This acquisition gave rise to the recognition of earn-out estimated at € 1.2 million. Total goodwill of € 4.1 million was generated.

In accordance with revised IFRS 3, acquisition expenses are now recognised in the income statement.

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	4,788
Intangible assets	3
Property, plant and equipment	45
Financial assets	2
Other non-current receivables	7
Deferred tax assets	129
Inventory	641
Trade receivables	2,301
Other current receivables	415
Other current financial assets	350
Cash and cash equivalents net	-1,919
Current tax assets	18
Other non-current liabilities	-69
Employee benefits	-4
Deferred tax liabilities	-9
Other current financial liabilities	-1
Trade payables	-681
Other current liabilities	-1,337
Current tax liabilities	-9
Equity accounted companies	467
Acquisition cost	**5,137**
Less: cash acquired	1,919
Total	**7,056**
Other funding	-1,040
CASH FLOW FROM ACQUISITION NET OF CASH ACQUIRED	**6,015**

(+) Cash outflow

VIII. NOTES TO THE FINANCIAL STATEMENTS

Acquisitions of the 2009 financial year

In accordance with IFRS 3, the allocation of the **Pujol**, **Energy Eye** and **Sodim** acquisition goodwill had been carried out provisionally in the 2009 financial statements. Additional allocation work was carried out within the one-year allocation deadline.

This work had the following impacts on the balance sheets of Pujol, Energy Eye and Sodim:

€ thousands	Shareholders' equity before restatements	Restatements	Shareholders' equity after restatements
Intangible assets	1,387	-879	508
Property, plant and equipment	1,529	-1	1,528
Financial assets	42	1,064	1,106
Deferred tax assets	191	-4	187
Inventory	1,274	10	1,284
Trade receivables	1,480	-154	1,326
Other current receivables	286	-84	203
Other current financial assets	4	148	152
Cash and cash equivalents net	493	-173	320
Non-current and current provisions	-66	-25	-91
Employee benefits	-40	-	-40
Deferred tax liabilities	-234	19	-215
Non-current and current financial liabilities	-791	-	-791
Trade payables	-212	-41	-253
Other non-current and current liabilities	-580	-35	-615
Non-controlling interests	-29	-	-29
TOTAL	**4,734**	**-154**	**4,580**
Acquisition price (including acquisition expenses)			12,685
FINAL GOODWILL			**8,105**

The net profit reported at June 30th and December 31st, 2009 was impacted respectively by a negative € 399 thousand and a positive € 215 thousand, primarily corresponding to the amortisation of intangible assets recognised as part of business combinations and the capitalisation of Pujol's acquisition expenses.

€ thousands	
PUBLISHED NET PROFIT AT JUNE 30th, 2009	**55,983**
Effect of consolidation of Energy Eye	18
Effect of consolidation of Sirem	-90
Effect of consolidation of CIAT	-327
RESTATED NET PROFIT AT JUNE 30th, 2009	**55,585**
PUBLISHED NET PROFIT AT DECEMBER 31st, 2009	**87,636**
Effect of consolidation of Pujol	172
Effect of consolidation of Energy Eye	50
Effect of consolidation of Sirem	-7
RESTATED NET PROFIT AT DECEMBER 31st, 2009	**87,851**

6. ACQUISITION GOODWILL

€ thousands	Value
At January 1st, 2010	**145,461**
Changes in scope of consolidation	4,788
Changes in foreign exchange rates	1,147
Other movements	-154
Charge for impairment	-1,591
AT JUNE 30th, 2010	**149,651**

The opening goodwill was reduced by € 964 thousand following the final allocation of the Pujol and Energy Eye goodwill.

Impairment test

The outlook of SACS, a subsidiary of BFT SpA specialised in car park access systems (tellers and barriers), has deteriorated compared to the acquisition business plan. The goodwill of € 0.7 million was fully written down.

Investments in the North American hotel sector remain on hold, which has a significant adverse impact on Energy Eye as this is its main market. The company had also started to expand into Australia and Mexico, two markets that experienced a serious slowdown. The combinations of these two factors led management to review the business plan and recognise goodwill impairment of € 1.0 million.

No indication of impairment was noted at June 30th, 2010 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 January 1st	**35,216**	**15,114**	**2,421**	**30,229**	**1,236**	**4,474**	**88,690**
Additions	-	28	59	683	65	2,782	3,617
Disposals	-	-	-	-747	-10	-	-757
Effect of change in foreign exchange rates	740	-	5	174	11	13	943
Change in scope of consolidation	-	-	-	21	-	-	21
Other movements	-	1,795	207	71	2	-2,070	4
AT JUNE 30th, 2010	35,957	16,937	2,692	30,430	1,304	5,198	92,517
Accumulated amortisation at January 1st	**-4,454**	**-6,711**	**-797**	**-21,396**	**-1,168**	**0**	**-34,527**
Amortisation charge for the year	-1,089	-1,371	-44	-1,237	-86	-	-3,827
Disposals	-	-	-	708	5	-	713
Effect of change in foreign exchange rates	-343	-	-	-114	-8	-	-465
Change in scope of consolidation	-	-	-	-17	-	-	-17
Other movements	-	-	-	-	-	-	0
AT JUNE 30th, 2010	-5,887	-8,083	-841	-22,056	-1,257	0	-38,123
NET VALUE AT JUNE 30th, 2010	**30,070**	**8,854**	**1,851**	**8,375**	**46**	**5,198***	**54,394**

** Of which € 3,869 thousand is in-progress development costs.*

Other movements in development costs represent transfers from in-progress to development costs.

8. PROPERTY, PLANT AND EQUIPMENT

€ thousands	Land	Buildings	Plant, machinery and tools	Other	In progress and advance payment	Total
Gross value at January 1st	**18,255**	**127,190**	**233,152**	**44,022**	**6,527**	**429,146**
Additions	10	292	2,817	3,364	5,260	11,743
Disposals	-	-50	-3,870	-1,383	-	-5,303
Effect of change in foreign exchange rates	34	229	1,197	1,424	84	2,967
Change in scope of consolidation	-	-	11	141	-	152
Other movements	93	945	-2,676	233	-5,689	-7,093
AT JUNE 30th, 2010	18,391	128,606	230,632	47,801	6,182	431,612
Accumulated depreciation at January 1st	**-252**	**-41,167**	**-148,622**	**-29,395**	**0**	**-219,436**
Depreciation charge for the year	-12	-2,571	-8,250	-2,209	-	-13,042
Disposals	-	48	3,439	1,241	-	4,728
Effect of change in foreign exchange rates	-	-176	-607	-845	-	-1,629
Change in scope of consolidation	-	-	-10	-97	-	-107
Other movements	-68	-81	7,072	166	-	7,089
AT JUNE 30th, 2010	-332	-43,947	-146,980	-31,140	0	-222,399
NET VALUE AT JUNE 30th, 2010	**18,059**	**84,659**	**83,652**	**16,661**	**6,182**	**209,213**

The net book value of property, plant and equipment relating to changes in group structure was € 45 thousand.

9. EQUITY ACCOUNTED COMPANIES

€ thousands	30/06/10	31/12/09
Equity accounted companies at the beginning of the year	58,647	58,844
Changes in scope of consolidation (*)	-	1,958
Share of profit of equity accounted companies	-1,908	1,865
Other	197	-39
Dividends paid	-186	-186
Changes in foreign exchange rates	88	93
Charge for impairment (**)	-5,800	-3,888
EQUITY ACCOUNTED COMPANIES AT THE END OF THE YEAR	**51,037**	**58,647**

(*) Acquisition of 40% of Astélia at the start of 2009.
(**) Writedown due to impairment of CIAT's carrying value.

Assumptions used by management to draw up CIAT's business plan as part of its acquisition (July 1st, 2008) were revised downwards, following indications of impairment (-12.4% and -76.6% declines in sales and EBITDA, respectively) due in particular to the difficulties encountered in the French heat pump market. CIAT group is equity accounted by Somfy group. At June 30th, 2010, € 5.8 million was written off the carrying value of CIAT.

CIAT's CGU impairment test was carried out by comparing the carrying value and equity revalued after deducting net debt. The value in use was measured using the discounted cash flow method.

Cash flows were estimated based on 3 year budgets and plans. An additional 5 year extrapolation period was used to take into account the capacity of CIAT, which has been seriously affected by the crisis, to enjoy again the growth and profitability levels that were observed over its recent history.

The main actuarial assumptions used were:
- a 10% discount rate (unchanged from December 31st, 2009),
- a 2% long-term growth rate.

The sensitivity of test results to changes, considered in isolation, in assumptions used to measure the value of the CIAT CGU's revalued equity at end June 2010 is as follows:
- a 1% decrease in the discount rate would have led to not recognising any provision at June 30th, 2010; an increase of 0.5% and 1% in the discount rate would have generated an additional impairment of the carrying amount of € 5.4 million and € 10.1 million, respectively.
- a one percentage point decrease in the EBITDA to sales ratio for the last year used to calculate the residual value would imply an additional impairment of € 8.0 million of the carrying value.

10. FINANCIAL ASSETS

€ thousands	30/06/10	31/12/09
Available-for-sale financial assets	203,588	198,885
– Non-consolidated shares	*203,583*	*198,767*
– Marketable securities	*5*	*118*
Mezzanine loans (*)	53,750	53,750
Loans (**)	8,600	7,007
Other	3,285	2,734
NON-CURRENT & CURRENT FINANCIAL ASSETS	**269,223**	**262,376**
Due within one year	1,777	1,905
NON-CURRENT FINANCIAL ASSETS	**267,446**	**260,470**

** CIAT subscribed to a subordinated bond (mezzanine) with Somfy SA of a nominal value of € 48.0 million, redeemable in 2016. Capitalised interest totalled € 4.0 million at June 30th, 2010.*
*** Including a three year advance granted by Somfy SA to CIAT of a nominal value of € 5.0 million. Capitalised interest totalled € 0.2 million at June 30th, 2010.*

Non-consolidated shares notably include:

- A 34% investment in the share capital of FAAC. This company was equity accounted until January 1st, 2008. It is now considered as an available-for-sale asset and valued at € 123.9 million.
- A 32.95% investment in the share capital of agta record, valued at € 74.7 million at the stock exchange price of June 30th, 2010.

The cumulative unrealised capital gain generated since the acquisition date was thus € 24.7 million at June 30th, 2010 (€ 22.4 million net of deferred taxation), compared to € 20.1 million at December 31st, 2009 (€ 17.8 million net of deferred taxation).

11. INVENTORIES

€ thousands	30/06/10	31/12/09
Gross		
Raw materials and other supplies	43,033	37,313
Finished goods and merchandise	77,244	72,891
TOTAL	**120,277**	**110,204**
Provisions	-10,382	-10,111
NET	**109,895**	**100,093**

€ thousands	Value 31/12/09	Net charges	Exchange rate movement	Other movements	Value 30/06/10
Inventory provisions	-10,111	140	-282	-129	-10,382

12. PROVISIONS

NON-CURRENT PROVISIONS € thousands	Provision for guarantees	Provisions for litigation	Provisions for employee liability	Provisions for liabilities and charges	Total 2010
At January 1st	**3,350**	**2,671**	**911**	**2,525**	**9,456**
Expenses	-	-	33	22	**55**
Used reversals	-95	-	-	-23	**-118**
Unused reversals	-	-568	-	-	**-568**
Impact of variations in foreign exchange rates	75	-	-	13	**88**
Other movements	-	-	-	-	**0**
AT JUNE 30th, 2010	**3,330**	**2,103**	**944**	**2,537**	**8,913**

Provisions charges, net of reversals used or unused, had an € 631 thousand negative impact on current operating result.

CURRENT PROVISIONS € thousands	Provision for guarantees	Provisions for litigation	Provisions for liabilities and charges	Total 2010
At January 1st	**2,861**	**1,139**	**14,577**	**18,577**
Expenses	-	1,961	1,576	**3,537**
Used reversals	-222	-80	-2,727	**-3,029**
Unused reversals	-	-	-376	**-376**
Impact of variations in foreign exchange rates	62	37	43	**142**
Other movements	-	-	-	**0**
AT JUNE 30th, 2010	**2,702**	**3,057**	**13,093**	**18,852**

Provisions charges, net of reversals used or unused, had an € 334 thousand positive impact on current operating result.
Other operating income and expenses had a negative impact of € 202 thousand.

13. FINANCIAL LIABILITIES

€ thousands	30/06/10	31/12/09
Borrowings from credit institutions	87,595	79,103
Lease commitments	32,472	36,975
Other borrowings and financial liabilities	338	227
NON-CURRENT & CURRENT FINANCIAL LIABILITIES	**120,405**	**116,304**
Due within one year	33,316	38,388
NON-CURRENT FINANCIAL LIABILITIES	**87,089**	**77,916**

14. NET DEBT

€ thousands	30/06/10	31/12/09
Financial liabilities	120,405	116,304
Financial assets	63,270	61,559
- Marketable securities	*5*	*118*
*- Mezzanine loans**	*53,750*	*53,750*
*- Other***	*9,515*	*7,691*
Cash and cash equivalents	82,463	67,872
NET FINANCIAL DEBT	**-25,328**	**-13,127**

** CIAT subscribed to a subordinated bond (mezzanine) with Somfy SA of a nominal value of € 48.0 million, redeemable in 2016. Capitalised interest totalled € 4.0 million at June 30th, 2010.*
*** Including a three year advance granted by Somfy SA to CIAT of a nominal value of € 5.0 million. Capitalised interest totalled € 0.2 million at June 30th, 2010.*

15. ANALYSIS OF CASH FLOW STATEMENT

15.1 NET CASH AND CASH EQUIVALENTS

€ thousands	30/06/10	30/06/09	31/12/09
CASH AT THE BEGINNING OF THE PERIOD	**66,974**	**51,744**	**51,744**
Cash and cash equivalents	67,872	54,168	54,168
Bank overdrafts	-898	-2,424	-2,424
CASH AT THE END OF THE PERIOD	**79,245**	**50,486**	**66,974**
Cash and cash equivalents	82,463	51,866	67,872
Bank overdrafts	-3,219	-1,380	-898

15.2 CHANGE IN WORKING CAPITAL REQUIREMENTS

€ thousands	30/06/10	31/12/09
Net decrease/(increase) in net inventory	-6,036	11,110
Net decrease/(increase) in net trade receivables	-44,636	11,702
Net (decrease)/increase in trade payables	11,438	-1,784
Net movement in other receivables and payables	8,554	4,098
CHANGE IN WORKING CAPITAL REQUIREMENTS	**-30,680**	**25,126**

16. ASSOCIATES

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

€ thousands	30/06/10	30/06/09	31/12/09
Sales	1,553	1,277	3,075
Other income	214	147	324
Purchase of goods	1,175	946	2,180
Other charges	2	42	71
Interest received	2,199	2,072	4,142
Trade receivables	1,777	1,503	2,059
Trade payables	494	633	698
Interest receivable	2,162	2,000	-
Loans	7,437	5,781	6,611
Mezzanine loans	53,750	49,717	53,750

17. DIVIDENDS PROPOSED

The net dividend proposed at the AGM of May 12th, 2010 called to approve the 2009 financial statements was € 4.80. It was paid on May 27th, 2010.

18. CONSOLIDATION SCOPE

All the companies have a year end of December 31st.

Company name	Head office	% control 30/06/10	% interest 30/06/10	% interest 31/12/09
Somfy SA	74300 Cluses (France)	(Parent)	(Parent)	(Parent)
FULLY CONSOLIDATED COMPANIES				
Somfy SAS	Cluses (France)	100.00	100.00	100.00
Spirel SAS	St-Rémy-de-Maurienne (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
Domaster SAS	Cluses (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	100.00	100.00
Somfy PTY Ltd	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
Somfy KFT	Budapest (Hungary)	100.00	100.00	100.00
Somfy Sp zoo	Warsaw (Poland)	100.00	100.00	100.00
Somfy Spol sro	Prague (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 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

All the companies have a year end of December 31st.

Company name	Head office	% control 30/06/10	% interest 30/06/10	% interest 31/12/09
Somfy Espana SA	Barcelona (Spain)	100.00	100.00	100.00
Pujol Muntalà SA	Barcelona (Spain)	100.00	100.00	100.00
Pujol LDA	Esmoriz (Portugal)	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 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 (Cyprus)	100.00	100.00	100.00
Sisa Home Automatisation 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 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
Simu RT SPOL SRO	Zlin (Czech Republic)	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
DSG	Mouscron (Belgium)	100.00	100.00	100.00
BFT Spa	Schio (Italy)	100.00	100.00	100.00
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)	60.00	60.00	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.	Croatia	75.00	75.00	75.00
BFT US Inc.	Boca Raton (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 (England)	100.00	100.00	100.00
SACS SRL	Borgo Valsugana (Italy)	100.00	100.00	83.42
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)	70.00	70.00	70.00
BFT France SAS	Marseille (France)	100.00	100.00	100.00
O&O	Corregio (Italy)	62.50	62.50	62.50
BFT Veneto	Schio (Italy)	100.00	100.00	100.00
BFT Autoferm Ouest SARL	Saint-Philbert-de-Grand-Lieu (France)	100.00	100.00	-
BFT Anatolia	Istanbul (Turkey)	100.00	100.00	-
BFT Grèce	Athens (Greece)	100.00	100.00	-
Cotherm Participation SA	Vinay (France)	65.00	65.00	65.00
Cotherm Développement SA	Vinay (France)	100.00	65.00	65.00
Cotherm SAS	Vinay (France)	100.00	65.00	65.00
Cotherm Tunisie SARL	Ben Arous (Tunisia)	100.00	65.00	65.00
M&M components Ltd	Suffolk (England)	100.00	65.00	65.00
Cotherm North America	Warwick (United States)	50.00	32.50	32.50
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)	100.00	87.53	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
EQUITY ACCOUNTED COMPANIES				
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
Klereo SARL	Montesson (France)	49.00	49.00	-

19. POST-BALANCE SHEET EVENTS

Somfy has initiated the necessary steps to acquire 15.0% of the capital of LianDa. The transfer of ownership of the shares is subject to approval by the Chinese authorities, from which a response is expected during the second half of 2010.

HY1 2010
BUSINESS REPORT

CONSOLIDATED FIGURES € millions	June 30th, 2010	June 30th, 2009	2010/09 change	2010/08* change
Sales	439.9	391.4	+12.4%	-1.2%
Current operating result	89.3	69.4	+28.6%	+4.5%
Non-current operating expenses	-5.3	-5.3	-	NS
Operating result	84.0	64.2	+31.0%	-1.3%
Net financial income	6.2	7.3	-15.4%	NS
Profit before tax	90.2	71.5	+26.2%	-1.0%
Income tax	-20.0	-14.7	+35.8%	-2.4%
Share of profit of equity accounted companies	-7.7	-1.2	-	NS
Net profit	62.6	55.6	+12.5%	-1.5%
Cash flow	89.7	79.7	+12.5%	-

** on a like-for-like basis*

Note : Changes are given against 2008 because of the atypical nature of the first half of 2009 (economic and financial crisis).

SALES

Group sales reached € 439.9 million for the first six months of the financial year. Sales were up by +12.4% in real terms and by +9.6% on a like-for-like basis against the first half of 2009, thanks to a favourable base effect. However, sales still lagged -1.2% behind the first half-year 2008 on a like-for-like basis.

- **Somfy Activities** sales came to € 385.1 million, an increase of +12.0% in real terms and +8.8% on a like-for-like basis against the first half of 2009. Sales declined by -1.0% compared to the first half-year 2008 on a like-for-like basis.

Compared to 2009, France and Asia-Pacific enjoyed sustained growth (+12.1% and +16.8% on a like-for-like basis, respectively).

After a difficult start of the year, Germany reported a marked improvement at the end of the period (+9.1% on a like-for-like basis). The same goes for Eastern and Central Europe and for Northern Europe (respectively +6.6% and +6.0% on a like-for-like basis).

Growth in Southern Europe[1] slowed over the last months, but still remained positive for the half year (+7.4% on a like-for-like basis). America returned to growth at the end of the period and ended the half-year on a moderate increase (+1.3% on a like-for-like basis).

- **Somfy Participations** sales came to € 54.8 million, an increase of +15.1% in real terms and of +15.0% on a like-for-like basis, against the first half of 2009.

The recovery was most notable for Cotherm and Sirem (respectively up by +20.4% and +32.8% on a like-for-like basis) and more measured for Zurflüh-Feller (+8.0% on a like-for-like basis).

Equity accounted companies experienced contrasting developments. Gaviota-Simbac grew over the period (+7.4% on a like-for-like basis). The CIAT group closed the half-year significantly down although it did get back to growth over the last months (-13.4% on a like-for-like basis).

RESULTS

The Group achieved a current operating result of € 89.3 million over the first six months of the year, an increase of +28.6% on the first half of 2009 and of +4.5% on a like-for-like basis on the first half of 2008.

- **Somfy Activities**' current operating result rose from € 65.9 million to € 81.5 million over the period. This increase is due to the recovery in sales on top of well-sustained margins. Meanwhile overheads, reduced in 2009 as part of the economy drive, have increased as normal, essentially due to higher budgets in development and marketing.

- **Somfy Participations**' current operating result increased from € 3.7 million to € 7.8 million over the first half-year, due to a rebound in sales of fully consolidated subsidiaries.

Net profit came to € 62.6 million, up by +12.5% compared to 2009, but down by -1.5% compared to 2008 on a like-for-like basis.

It includes acquisition goodwill writedowns amounting to € -1.6 million and net residual costs from the reorganisation of the industrial operations of € -1.6 million (Bologna and Saint-Rémy-de-Maurienne sites) for **Somfy Activities**. A write-down of the carrying value of the 40% of CIAT belonging to **Somfy Participations** has been recorded for € -5.8 million.

FINANCIAL SITUATION

The net cash surplus stands at € 25.3 million at the end of June with net equity at € 754.5 million.

SEASONALITY

Somfy group typically achieves about 55% of its sales in the first half of the year.

[1] Africa and the Middle East are included in Southern Europe.

HIGHLIGHTS

- **Somfy Activities** wrote down the goodwill of SACS and Energy Eye:

– The outlook of SACS, a subsidiary of BFT SpA specialised in car park access systems (tellers and barriers) has deteriorated compared to the acquisition business plan. The goodwill of € 0.7 million was fully written down.

– Investments in the North American hotel sector remain on hold, which has a significant adverse impact on Energy Eye as this is its main market. The company had also started to expand into Australia and Mexico, two markets that experienced a serious slowdown. The combinations of these two factors led management to review the business plan and recognise goodwill impairment of € 1.0 million.

- **Somfy Participations** wrote € 5.8 million off the carrying value of CIAT, a 40%-owned subsidiary that manufactures equipment for renewable energy air conditioning, thermal exchange, air treatment and heating applications. This write-down followed indications of impairment (-12.4% and -76.6% declines in sales and EBITDA, respectively) caused by the difficulties encountered in the French heat pump market. The acquisition business plan featured a significant expansion assumption for this market, which did not meet targets. Managers had to review the long-term budgets and plans, as a consequence of which impairment was recognised.

- Costs relating to the restructuring of the Group's manufacturing capacity initiated in 2009 gave rise to additional net provision charges of € 1.6 million (Bologna and Saint-Rémy-de-Maurienne sites).

- The financial statements at June 30th and December 31st, 2009 were restated following the final allocation of the Sirem, Sodim, CIAT, Pujol and Energy Eye acquisition goodwill.

CHANGES IN CONSOLIDATION SCOPE

Somfy Activities made the acquisition:

- through its subsidiary BFT SpA, of French distributor **BFT Autoferm**. Somfy acquired the capital in full at a price of € 0.9 million, which generated goodwill of € 0.7 million.

This company was consolidated from the acquisition date (January 2010) and contributed € 0.9 million to Group sales.

- through its newly incorporated subsidiary BFT Istanbul, of **BFT Anatolia**, a distributor of BFT products and garage door and gate fitter.

The capital was acquired in full at a price of € 3.8 million. This acquisition gave rise to the recognition of earn-out estimated at € 1.2 million. Total goodwill of € 4.1 million was generated.

This company was consolidated from the acquisition date (April 2010) and contributed € 1.0 million to Group sales.

OUTLOOK

In the current economic climate the Group remains cautious about the business prospects in the coming months, particularly in Europe where the base effect will be much less positive than during the first half.

– **Somfy Activities**' will nethertheless keep up the pressure with priorities given to new product development, increased resources for new activities and strengthening its commercial footprint (network consolidation, brand promotion, geographical expansion).

– For the second half of the year, **Somfy Participations** is expecting a slowdown in sales growth due to seasonality (Sirem) and the current context. For CIAT, however, a recovery in the home market is expected.

RELATED PARTIES

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

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

SOMFY SA

At June 30th, 2010, Somfy SA had generated sales of € 1.9 million. The net financial income was € 87.5 million, including € 86.6 million in dividends paid by the subsidiaries in respect of their net profit at December 31st, 2009.

Net profit was € 85.0 million, after taking account of a € 2.6 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 assets, 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 over 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, August 26th, 2010

Paul Georges Despature
Chairman of the Management Board of Somfy SA

STATUTORY AUDITORS' REPORT ON THE 2010 INTERIM FINANCIAL REPORTING

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 January 1st to June 30th, 2010; and
- 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.

Without qualifying the above conclusion, we draw your attention to Note «4-Accounting rules and methods» to the condensed consolidated half-year financial statements, which specifies the new standards and interpretations applied by Somfy S.A. from January 1st, 2010.

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 30th, 2010

The Statutory Auditors

LEDOUBLE S.A.	ERNST & YOUNG et Autres
Frédéric Ledouble	Sylvain Lauria