

| COMFORT

| SECURITY

| ENERGY SAVINGS

Motion Buildin'

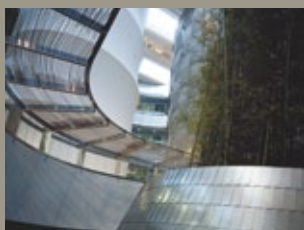


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editorial

by **Jean-Philippe Demaël**
CEO Somfy Activities



“WE STILL HAVE A LOT OF NEW HORIZONS TO CONQUER. OUR AMBITIONS IN CHINA AND ON THE HOME AUTOMATION MARKET CLEARLY EXPRESS THIS NEW DRIVE FOR GROWTH, WHICH WILL VITALIZE OUR STRATEGY IN THE COMING YEARS.”

With market-beating growth over the past two years and our 2010 activity back at pre-crisis levels, we can confirm the validity of our strategy of product innovation and continued geographical deployment. The efforts made in development and marketing have turned Somfy into both a Group of increasing global status and an international brand.

Both in Europe and in our less mature markets, we still have a lot of horizons to conquer. Somfy Activities will continue to invest in order to strengthen its status of central player, and to fuel our future growth drivers. The advent of new challenges for our society has turned home automation into a developing market in which we have a legitimate role to play thanks to the solutions we offer in terms of comfort, security and energy efficiency. For this reason, in 2010 we launched an ambitious action plan based on innovation and on reinforcing awareness of Somfy Activities as a leading brand in the home automation sector. We also wish to give an important role in our activities to the emerging countries, which are already contributing to our growth. The expansion of our footprint in China, with the acquisition of a majority holding in Dooya, which is both the domestic market leader and China's leading exporter, expresses our ambition to make these countries a solid base for our activities. Lastly, the challenges of sustainable development and the application of new thermal standards have opened up a significant margin of progression for us on the commercial building market, where partnerships with other manufacturers will help consolidate our presence. Our three Activities are already mobilized to sustain this new drive for growth.

SOMFY ACTIVITIES AT DECEMBER 31ST, 2010

6,000

EMPLOYEES

OPERATIONS IN

54

COUNTRIES

7

PRODUCTION SITES

270 MILLION

END-USERS

32,000

PROFESSIONAL CUSTOMERS

747.4

SALES IN MILLION EUROS

+8.5%

GROWTH
ON A LIKE-FOR-LIKE BASIS

128.1

CURRENT OPERATING RESULT
IN MILLION EUROS

somfy
a global presence,

PROFILE

As world leader in tubular motors, Somfy Activities uses automatic controls to enhance people's living environment. The solutions it offers to improve comfort, security and energy savings can be seen today in homes, offices and public spaces, and are constantly finding new applications in our daily lives.

Spurred on by a strong culture of innovation and results, Somfy Activities is pursuing its ambition to serve every market and every need a building may have for automation, in order to become a major global player.

To implement this strategy, Somfy Activities is speeding up its development on the international front through a distribution network which is alert to its professional customers' needs, and diversifying its business models in order to address each market and each region with differentiated offers and commercial structures. In order to assert a leading position on all its markets, Somfy Activities operates a portfolio of complementary brands, driven by the Somfy brand.

OVER

50

PRODUCT LAUNCHES

42

PATENTS FILED

activities

an international brand

IDENTITY

One business

the motorization and automatic control of openings and closures in homes and commercial buildings.

Three activities organized by application

Shutter & Awning

Wired and wireless home automation motors for shutters (roller and swing) and exterior solar protections (folding arm awnings, directional solar screens). Controls: remote controls, web interface, sensors (sun, wind, thermic), clocks, light regulators and heating receivers (for terraces).

Window & Blind

Homes: wired and wireless home automation motors and automatic controls for interior blinds (Venetian, slat, roller, pleated, etc.), curtains, nets, projection screens, outdoor screens. Commercial buildings: glazed façade management software, joint management of natural/artificial light and window actuators.

Door & Gate

Homes: alarms, wired and wireless home automation motors and automatic controls for gates (swing and sliding) and garage doors (swing, roller, sectional, etc.). Automatic controls for commercial, industrial and urban access (car park barriers, bollards, control systems).

+8.6%
OF SALES IN 2010*

+6.5%
OF SALES IN 2010*

+14.8%
OF SALES IN 2010*

* On a like-for-like basis

Seven commercial brands

Somfy

Somfy's three Activities take the company's added value to its installer customers and lead innovation in all applications.

BFT

Complementary to the Somfy Door & Gate Activity, BFT offers access solutions for homes, businesses and industry.

Simu

Present on the middle-range segment of the Shutter & Awning and Door & Gate Activities applications, SIMU meets the needs of manufacturers and assemblers.

Mingardi


Within the Window & Blind Activity, Mingardi specializes in motorized window actuators for natural ventilation.

Asa and LianDa

Tactical entry-level brands that bolster the competitiveness of Somfy Activities in order to maintain profitable growth.

Dooya

The Ningbo Dooya brand, which joined the Group in 2010 after the acquisition of a 70% stake in the Chinese company Dooya, manufactures motors for roller shutters and curtains on the domestic market.



AS IMPROVING
QUALITY OF LIFE
IS A KEY EXPECTATION,
SOMFY ACTIVITIES
IS INCREASING
THE COMFORT,
SAFETY AND ENERGY
EFFICIENCY OF ITS
AUTOMATIC CONTROLS,
IN LINE WITH MAJOR
SOCIETAL ISSUES AND
CONSUMER TRENDS.

Build. in Motion

comfort

automatic controls
make sure that opening
systems are always set
to the right position

The core business of Somfy's three Activities and their brands is personal comfort. At home and in commercial buildings, Somfy is making this commitment a reality, through increasingly end-user friendly controls and the development of functions that create new applications for making everyday life easier.

Radio Technology Somfy®

Radio Technology Somfy® (RTS) is used in over ten million installations worldwide, and has become a benchmark in home automation comfort. This wireless communication system allows motors to be managed automatically by controls, sensors and timers, etc., in order to raise, lower or angle home opening and shading systems. End-users can return to manual control at all times.

In order to support changing comfort needs, Somfy continues to lead progress in Home Motion solutions. The latest motors are silent or run on solar energy. With a heater and light receiver taking account of changes in temperature and luminosity, people can turn their terraces into living rooms.

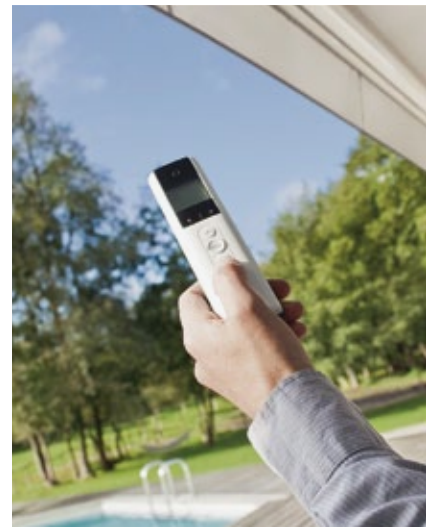
Creating life scenarios

Using automatic controls, opening and closing systems can adapt to people's lives: roller shutters come to life at preset times, closing automatically when night falls. Blinds adjust their positions according to information from the sun sensor, optimising light and heat conditions in the building.

Communicating home automation solutions

Since 2007, io-homecontrol® technology has enabled all home equipment to intercommunicate. The io-homecontrol® association makes Somfy solutions interoperable with automatic equipment by other manufacturers, including skylights, lighting and heat pumps. io-homecontrol® gives end-users constant feedback on their home equipment, confirming that everything is running smoothly. ●





HOME MOTION

CREATED BY SOMFY, HOME MOTION IS THE POWERING AND MOVEMENT OF OPENINGS IN THE HOME BY MOTORS, CONTROLS AND AUTOMATIC DEVICES (SUN, HEAT, WIND SENSORS, TIMERS) MAKING LIFE EASIER, SAFER, ENERGY-EFFICIENT—AND COMFORTABLE. HOME MOTION SOLUTIONS, WHICH ARE MANAGED BY RADIO TECHNOLOGY SOMFY® OR IO-HOMECONTROL®, NEED NO ELECTRIC WIRING AND ARE AS USEFUL FOR RENOVATIONS AS FOR NEW BUILDINGS. THE PARTNERSHIPS SIGNED WITH MANUFACTURERS OF OTHER AUTOMATIC HOME EQUIPMENT MAKE SOMFY'S RELIABLE AND FLEXIBLE HOME MOTION THE MOST SCALABLE SOLUTION ON THE MARKET.

security

remote home management

As market leader in the management of opening systems in the home, Somfy devises security solutions which are built into its global Home Motion system. The security of people and property has become a major concern that encompasses a wide range of needs. Somfy's response combines two competencies: alarms as well as a security and comfort solution based on home management and home automation functions in access control (gates, garage doors, front doors, window protection, etc.).

A single control point and mobility as an added extra

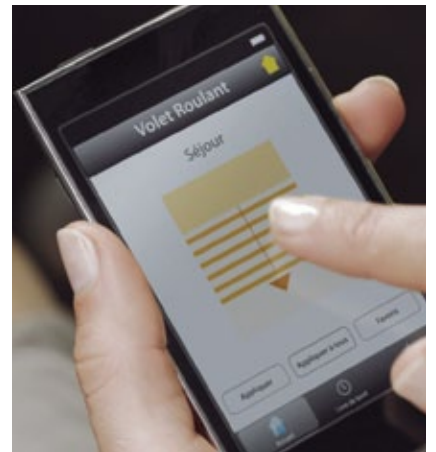
Somfy combines all the potential of Home Motion with the power of the Internet to meet consumers' security expectations. With Radio Technology Somfy® (RTS), end-users can control the alarm and all closures from a single control point. People can now leave their homes with complete peace of mind: the timer activates the roller shutters and lighting remotely at the programmed time. The Protexiom range that was so popular in 2009 and 2010 allows end-users to secure their homes and supervise their alarm and roller shutters, also remotely.

Home automation offers a new world of functionality and services

Unlike traditional communication systems, bi-directional io-homecontrol® technology provides feedback, a vital advantage in terms of security: even when traveling, people can make sure that their shutters are closed properly and receive notification if the intruder alarm is triggered.

The TaHoma® interface, that can be slipped into a bag or pocket, gives this convenience extra flexibility and safety. TaHoma® is compatible with all mobile communication devices that have digital screens and allows end-users to manage any unexpected event—opening the door to a visitor or making sure that they remembered to close the shutters from afar. ●





TAHOMA®

IN 2010, SOMFY LAUNCHED TAHOMA®, A SIMPLE AND INTUITIVE INTERNET INTERFACE THAT ALLOWS PEOPLE TO MANAGE THEIR HOME EITHER IN SITU OR REMOTELY FROM A COMPUTER OR SMARTPHONE. TAHOMA® OPERATES AS A GENUINE SURVEILLANCE CENTER FOR THE HOME. IT CURRENTLY CONTROLS THE FOLLOWING APPLICATIONS: ROLLER SHUTTERS, SWING SHUTTERS, SKYLIGHTS, GATES, GARAGE DOORS, BLINDS, AWNINGS, FRONT DOOR LOCKS, LIGHTING AND ELECTRICAL EQUIPMENT. COMING SOON, ALARMS, HEATING, AIR CONDITIONING... THIS SOLUTION, WHICH IS COMPATIBLE WITH IO-HOMECONTROL® WIRELESS TECHNOLOGY AND SOME RTS® (RADIO TECHNOLOGY SOMFY) EQUIPMENT, TAKES SOMFY A STEP CLOSER TO ITS GOAL OF SIMPLE, SCALABLE AND WIDELY ACCESSIBLE HOME AUTOMATION.

TAHOMA® & SOPHIE
WITH HER SMARTPHONE, SOPHIE
CLOSES HER TERRACE AWNING
AND PROTECTS IT FROM THE RAIN.

energy savings

bringing the best of the climate inside

The heat exchange occurring at the façade and glazed openings of a building plays a significant role in the comfort of the interior and in the building's energy requirement. The automation of solar protection and other screening equipment is recognised as helping to regulate the exchange between the exterior and interior. For this reason, Somfy Activities has been developing this groundbreaking activity via the management of natural light, heat contributions, and natural ventilation.

Meeting a wide range of needs

For a building to be efficient, the optimisation of its energy performance should take account of its climate, orientation, the activity of its occupants, etc. In order to meet every need, Somfy has developed specific competencies for different regions. Special software is used to calculate the predicted benefits for every building based on these criteria.

A people-centered approach

Because dehumanized automation can backfire, producing the opposite effect from the sought-after energy savings, Somfy's controls and sensors manage the equipment room by room, and continue to operate at night when the building is empty, in order to refresh the air. The override function allows occupants to take over the solar protection at any moment.

Dynamic Insulation™ for homes

Somfy has created easily installed solutions that combine motorization with sensors and timers, for new and renovated homes. Solar protection and roller shutters remain in the best position to maintain a cool interior in summer, and to capitalize on sunlight or increase the insulation of bay windows in winter after nightfall.

Bioclimatic façades in commercial buildings

For large buildings (office blocks, hospitals, hotels), Somfy designs bespoke digital management solutions. For an investment equivalent to 1-2% of the total cost of the building, the automation of exterior solar protection offers 20-40% of energy savings in lighting, heating and air conditioning. The partnerships it has with other manufacturers allow Somfy to develop integrated solutions for constantly optimized efficiency. ●





SOMFY FOR BIOCLIMATIC FACADES

THIS PROGRAM HAS SUPPORTED THE GROWTH OF AUTOMATIC FAÇADE CONTROL (SOLAR PROTECTION, WINDOWS) SINCE 2008, OFFERING COMFORT AND ENERGY SAVINGS IN BUILDINGS. ITS ROLE IS TO SHOWCASE THIS EXPERTISE AHEAD OF THE PROJECT, BY TRAINING SPECIFIERS (ARCHITECTS, DESIGN OFFICES, INVESTORS) AND TO TAKE PART IN WORK GROUPS RESPONSIBLE FOR DEFINING FUTURE THERMAL AND ENVIRONMENTAL STANDARDS FOR BUILDINGS.

SOMFY FOR BIOCLIMATIC FAÇADES OFFERS THREE MAIN BENEFITS. IN SUMMER, AND IN THE HOTTER PARTS OF THE WORLD, REGULATING SUNLIGHT HELPS TO REDUCE THE NEED FOR AIR CONDITIONING. IN WINTER, AND IN TEMPERATE ZONES, THE OPTIMIZED MANAGEMENT OF SUNLIGHT OFFERS NATURAL HEAT TO BUILDINGS AND REDUCES THE NEED FOR ARTIFICIAL LIGHT. THE NATURAL VENTILATION PROVIDED BY THE AUTOMATION OF GLAZED FAÇADES REFRESHES THE AIR INSIDE THE BUILDING.

PORTFOLIO

01. Taj Hotel Mumbai, Mumbai, India

Somfy solutions:
– Glystro®

02. Aerocenter, Toronto, Canada

Somfy solutions:
– SDN (Somfy Digital Network)
– LT50 ILT2 motors (Somfy Intelligent Motor)

03. Jean Bernard Hospital, Valenciennes, France

Somfy solutions:
– animeo Premium
– LW 25 E83 motors in the new building
– J101 motors in the renovation

04. Ritz Carlton Hotel, Hong Kong, China

Somfy solutions:
– LT50 motors

05. City Office Leyweg, The Hague, Netherlands

Somfy solutions:
– Motor Controller Contact Sec

06. e-Tower, São Paulo, Brazil

Somfy solutions:
– Mingardi Micro M motors
– animeo IB+

07. Sede da Fraunhofer, Porto, Portugal

Somfy solutions:
– Ariane and Altus motors
– 4 AC Motor Controller (MoCo)
– animeo Building Controller (BuCo)

08. Cassovar Business Center, Košice, Slovakia

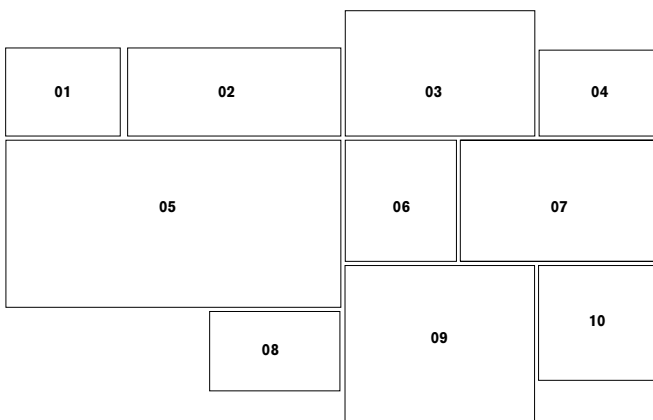
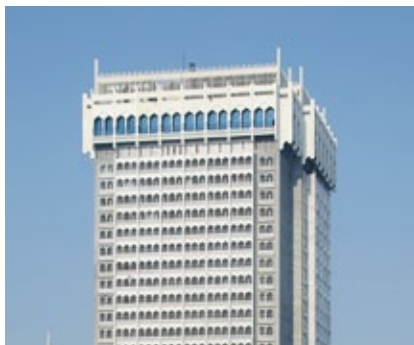
Somfy solutions:
– Orienta motors
– animeo Premium with MoCo IB+

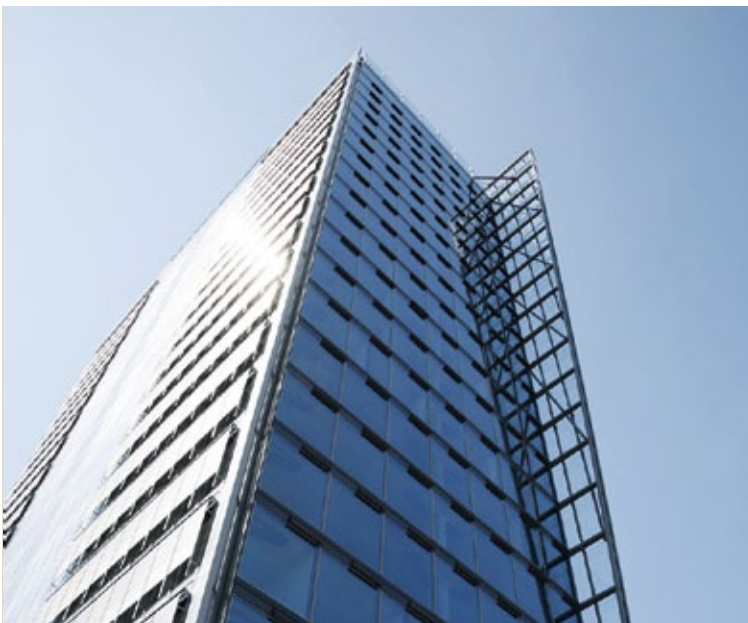
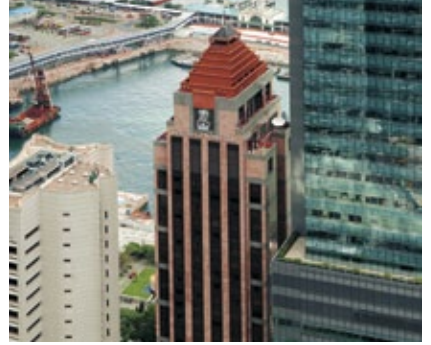
09. Weser Tower, Bremen, Germany

Somfy solutions:
– animeo IB+

10. ACICO JAL Hotel, Dubai, United Arab Emirates

Somfy solutions:
– Glystro®
– LT50 ILT Ariane motors





trends

driving our inventiveness



A MAJOR CHALLENGE: CREATING A BETTER HOME IN A BETTER PLANET

Major demographic and societal changes are presenting buildings with a double challenge: meeting the increasing demand for housing, while drastically reducing their contribution to greenhouse gas emissions.

Green Building

Energy savings, greenhouse gases, air quality: all the big environmental issues facing the planet directly concern our buildings. From the United States to China, via the Middle East, all countries are realizing how much progress can be made in this field and are tightening their regulations. For Somfy, the stake remains whether national regulations will recognize the effectiveness of its energy-saving solutions. In France, the energy advantages of automatic roller shutters have been validated by the *Réglementation Thermique 2005* and the *Réglementation Thermique 2012*, which will gradually be implemented as of October 2011. Its solar protection solutions also obtain excellent ratings with the LEED environmental assessment system (Leadership in Energy and Environmental Design) that is now applied in many countries.

Urbanization

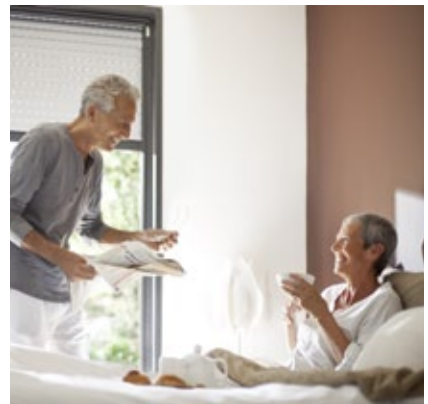
Over the next 20 years, we will have to house 2 billion more people in urban areas. It is in the South that this pressure will be strongest, under the strains of strong population growth and urbanization. We have yet to invent the “sustainable” city of the future, but emerging countries have opted for compact, vertical towns that optimize the available space and minimize the ecological footprint made by urban sprawl. When building taller, greener cities, dynamic façade management is recognized as an effective factor in the bioclimatic habitat.

Inevitably, urban concentration also raises the issue of automotive traffic management. After the success of new initiatives such as congestion charges and multimodal transport, Somfy has offered urban access solutions — traffic bollards, parking barriers — since 2009 and its acquisition of the company O&O.

Ageing demographic

By 2050, the number of people aged over 65 will have tripled to reach almost one billion worldwide. The ageing population and increasing longevity have become societal priorities in Europe and other countries including Japan, the Americas and the Caribbean. Looking ahead twenty or thirty years, under the combined effects of falling birth rates and longer life expectancy, China and India will be facing the issue of a rapidly ageing population.

Buildings are one of the first sectors to be affected by this demographic upheaval. The priority is to allow the elderly to stay at home as long as possible. With its three complementary Activities, Somfy can offer solutions to the demands created by the ageing population: control of openings and access, security, improved accessibility inside the building.



EUROPEAN SCHOOL OF MANAGEMENT
AND TECHNOLOGY STAATSRAGEBÄUDE
BERLIN, GERMANY



RENOVATION: A LEADING FIELD IN DEVELOPED COUNTRIES

Across Europe, over 100 million homes and over 1,000 million windows will be renovated and modernized by 2020, in order to meet targets for the reduction of CO₂ emissions and energy consumption.

Putting an end to energy-wasting homes

Almost two thirds of current homes in France were built prior to the application of the first heat regulation in 1975. Most of them are poorly insulated and represent a considerable source of energy savings if the target of a 75% reduction in CO₂ emissions from buildings is to be met by 2050. Given the low rate of real estate renewal (1-2% a year), 40% of buildings dating back to before 1975 will still be in the same state at this time.

Automation recognized for its role in building insulation

Insulation, double-glazing and ventilation are the first ways to improve the energy efficiency of current buildings. In terms of insulation, automatic roller shutters will deliver considerably improved energy savings in both summer and winter (between 25 and 50% depending on the windows). Somfy-developed wireless communication solutions

are effective and they feature in new thermal regulations in several countries. And since they require only minimal structural and wiring intervention, they are perfect for renovation projects. For some years, Somfy has extended its innovation to include Dynamic Insulation™, a passive insulation solution for the home. The idea is simple: in summer, roller shutters and solar protection works as a "refresher", reducing the need for air conditioning. In winter, they help to insulate the building by optimally repositioning themselves through the day, letting the sun offer natural heating and reduction of heating bills of up to 10%.

THE MOBILE GENERATION: BETTER INFORMED AND ALWAYS ONLINE

The Internet and mobile communication devices allow Home Motion to be carried around in your pocket.

New connections

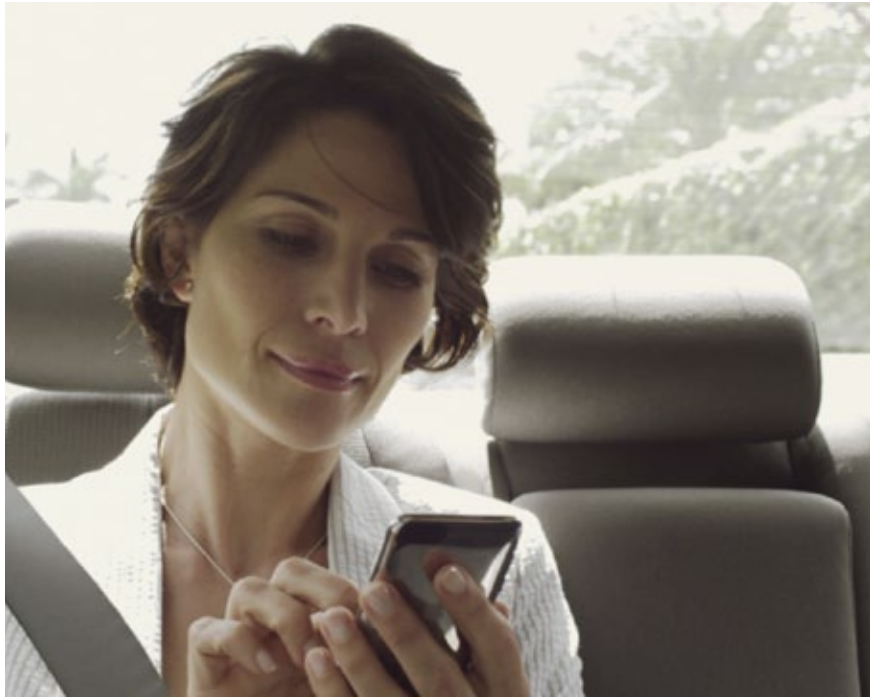
It took television thirteen years to clock up 50 million end-users, but Facebook pulled it off in under two years, and now has almost 500 million members worldwide. Social networks allow an increasing number of people to share all their activities in real time, forcing brands to increase transparency and adapt to new modes of conversation.

Mobile communication technologies have also changed the purchasing habits of professional customers and consumers, who now look online for increasingly personalized services and information. Internet helps to make new connections possible. Somfy Activities' subsidiaries have produced innovative maintenance e-services and sales and advice formats with targeted shopping sites (by application, market, etc.).

As a business generator for its installer customers, Somfy is leveraging these tools to consolidate its partnership with professionals. The subsidiaries' consumer shopping sites allow Somfy to identify qualified prospects that it then directs towards professionals.

A springboard for home automation

The explosion of wireless communication technologies has given new impetus to home automation. Smart homes failed to convince the market in the Nineties, but today, with a fully mobile smartphone acting as a universal remote control, they have a new relevance. The unprecedented capacity to connect to your controls from any location also creates ground for new services connected to building energy efficiency and security, especially for the elderly. ●





IN 2010, SOMFY
ACTIVITIES CHANGED
ITS STRUCTURE TO
BOOST ITS STRATEGIC
RESPONSIVENESS.
PRODUCT INNOVATION
AND THE ADAPTATION
OF ITS BUSINESS
MODELS TO MEET
THE NEEDS OF EACH
TERRITORY RESTORED
A HIGH LEVEL OF
PERFORMANCE, AND
THE AIM IS NOW TO
TAP ALL PROFITABLE
GROWTH SOURCES IN
THE COMING YEARS.

Build Motion



speeding up

growth in
emerging countries

Somfy is becoming a major player in China

In China, Somfy Activities intends to become the market leader in motorized blinds and roller shutters by boosting its operations on all segments.

2010 will see the creation of an entity dedicated to China as well as the expansion of Somfy China's sales force and Somfy's brand presence at the top end of the domestic Chinese market.

Somfy Activities also acquired a 70% stake in Dooya in December 2010, enabling it to speed up its growth at the entry level. Dooya is China's leading manufacturer of motors for curtains and roller shutters. It employs 1,500 people and posted 2010 sales of 35 million. It owns a production site in Zhejiang province and its distribution network covers a large proportion of the territory. Dooya will continue to pursue its independent export business. LianDa, the joint venture entered by Somfy in 2006, is now one of China's main producers of tubular motors for export.

With three commercial brands (Somfy, LianDa, Dooya), two production sites and an expanded distribution network, Somfy now has a sizeable presence in China, and this will allow it to react responsively and appropriately to the local market.





ON THE LEFT: CENTRO, BRAZIL.
BELOW: HEFEI, ANHUI, CHINA.

30.7%

SALES GROWTH
IN CHINA IN 2010,
ON A LIKE-FOR-LIKE BASIS

CONTINUED REGIONAL EXPANSION

Opening of new subsidiaries in Bulgaria and Colombia. Latin America (Argentina, Brazil, Colombia, Mexico) now has a dedicated commercial entity.

OVER

2,500

TV ADS IN THE MIDDLE EAST

The television station Al-Arabiya broadcast Somfy's first pan-Arabian advertising campaign in 2010. 52 ads went out every day for seven weeks, before and after the weather forecast.



innovation

is energizing business
in mature markets



ADVERTISING

"Somfy, a sense for motion"

A new signature, new countries... Somfy stepped up its TV advertising investment in 2010 to boost brand recognition among end-users. Over 30 different adaptations of a new saga promoting Home Motion have been screened in twenty countries. In five years, the brand's TV profile has added 40 points to its brand awareness score in France and 20 in Germany.

SPECIFICATION

The Netherlands: Home Motion unveiled to the public

In order to support the development of Home Motion solutions (Radio Technology Somfy® and home automation), Somfy Holland has opened its first Home Motion House to the public. The House is located in a shopping center and it allows end-users to test products and buy them via a partnership with a certified reseller. It also demonstrates Home Motion's scalability by exhibiting the products of all the io-homecontrol® partner manufacturers (lighting, ventilation, heating, etc.). The Home Motion House concept will be rolled out to Somfy Expert installer shops.





SPECIFICATION

Home automation explained using digital technology

110 German installers have adopted the Somfy io InfoCenter Web interface. Offering customers a simple explanation of the advantages and operation of home automation solutions, this new sales tool can also be used with a digital screen to test TaHoma® in real-life conditions.

SERVICES

Somfy Assistance offers nationwide coverage

One year after its launch by Somfy France, Somfy Assistance after-sales service had built up a network of 118 tradesmen across the country by the end of 2010. Somfy Assistance breaks new ground in maintenance service for end-users, and has allowed our partner installers to perform an average of 180 interventions per month. A single call number puts end-users through to Somfy's technical teams, who will offer a rapid response and free pre-diagnosis.

SALES FORMAT

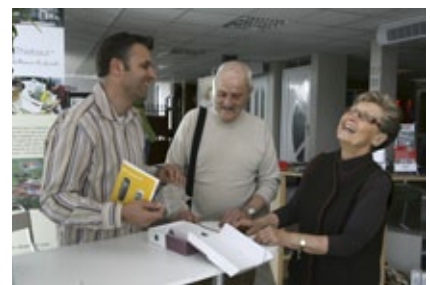
Installers involved in online sales

Professional installers remain Somfy's preferred distribution channel. In order to consolidate its role of business provider, one year ago Somfy France launched its e-counter, a network of pick-up centers linked to its online store, for consumers to collect their products directly from an installer belonging to the Somfy Expert network. In 2010, 13% of online purchases led to collection from an e-counter. The Somfy France online store opened two years ago, and has received almost a million single visits and clocked up sales of €727,000.

HOME MOTION HOUSE
VILLA ARENA, AMSTERDAM,
NETHERLANDS

25%

OF SOMFY EXPERT
PROFESSIONAL CUSTOMERS
IN GERMANY ORDERED
FROM THE ONLINE
PURCHASING PLATFORM
LAUNCHED IN 2009.



mobilising

the full growth potential of our three Activities

Our Activities

3 Activities

Shutter & Awning
Window & Blind
Door & Gate

7 production sites

Cluses and Gray (France)
Bologne and Schio (Italy)
Sitem (Tunisia)
LianDa and Dooya (China)

7 complementary commercial brands

Our markets

Residential



Commercial buildings

Schools
Hospitals
Hotels
Office buildings



Business and Industrial buildings



NEW OPERATIONAL DRIVERS

From now on, the Activities are responsible for industrial operations for all applications within their field. The new organisational structure gives the three Activities the operational levers to pilot their development, manufacturing and part of their sales.

The Window & Blind Activity includes piloting distribution in Business Areas that have strong development stakes for their offer: Asia-Pacific, China, North America and Latin America. Mature areas are piloted by a new division: Business & Marketing Area Europe - Middle East - Africa. While reaffirming sales independence for the Business Areas, this reinforced cooperative system strengthens their speed to deploy adapted business models for each market and territory.

IN 2010, SOMFY ACTIVITIES CHANGED ITS ORGANISATIONAL STRUCTURE TO BOOST ITS STRATEGIC RESPONSIVENESS TO SERVE CUSTOMERS AND TO POSITION OURSELVES TO OPEN NEW MARKETS.

Our distribution networks

Sales teams in 54 countries
throughout 68 subsidiaries
and 51 agencies and branch offices

10 Business Areas
Asia-Pacific, China, Central Europe,
Eastern Europe, France, Latin America,
Middle East and Africa, North America,
Northern Europe, Southern Europe

Our customers

Residential

Installers
System integrators
Assemblers/manufacturers
DIY superstores

Commercial buildings

Specifiers:
Architects, interior decorators,
engineering firms, investors

Customers:
Electricians, system
integrators, assemblers/
manufacturers

Business and Industrial buildings

System integrators
Assemblers

shutter and awning

leading home automation into the market

Over 40 years after the creation of the European market for motorized roller shutters and awnings, Somfy is still pushing innovation forward with functions that offer end-users more advantages. The Activity's field has been expanded by external growth and international development.

Widening the scope of Home Motion

The Home Motion concept opens up considerable development opportunities, which reflect the market's need for well-being and "better living" at home. Somfy is continuing to improve the functions, end-user friendliness and design of products connected to its two wireless communication systems (Radio Technology Somfy® and io-homecontrol®). 2010 saw the French market launch of the Yslo swing shutter motor, a new addition to the RTS range. Yslo will be sold in Italy, Germany and Spain, where swing shutters are widely used. The range of equipment compatible with the home automation solution io-homecontrol® has been expanded with the io range for terraces (motors for awnings, sun and wind sensors, controls). Common to several manufacturers of products for the home, including CIAT, Niko

TAHOMA & PIERRE
WITH HIS SMARTPHONE, PIERRE
CHECKS THAT ALL OPENINGS
ARE CLOSED. IN SECONDS,
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HOUSE IN COMPLETE SAFETY.



and Velux, this technology has now acquired a new partner: the Atlantic Group, a benchmark player in the heating and air conditioning sector.

TaHoma®: a leading service offer

A major innovation was released in France in late 2010 in the form of the TaHoma® web interface, which has strengthened Somfy's position in home automation. This mobile application for the supervision of automatic controls is compatible with smartphones and other digital screen devices, and it exploits the full potential of home automation services (remote management of equipment, access security and personal safety). Available on subscription, TaHoma® will gradually acquire new applications and functions.

“EASY, ACCESSIBLE, SCALABLE: TAHOMA® IS HOME AUTOMATION BY SOMFY”

By late 2010, 200 Somfy Expert installers had been given sales training for this product. By using this solution which offers people everyday peace of mind, Somfy intends to establish io-homecontrol® as the benchmark on the residential market.

Opening new horizons...

This Activity is number one on its sector in Western Europe, and is expanding operations to the Eastern European, Latin American and the Middle East, which are all high-potential markets for awnings and roller shutters. Its growth strategy also involves developing new distribution channels, especially individual home builders. ●

CLOSE-UP ON... THE NEW STRUCTURE

Interview with **Franck Schädlich**, Deputy General Manager Shutter & Awning Activity

The Activity is taking over the management of industrial facilities that are covered by its field of application. What are the advantages?

First of all, this autonomy boosts our European leadership by giving us faster, fluid mass production of offers that promote our innovation and value creation. It also allows us to manage our multibrand platform more responsively. This helps us to both contain competition at the entry level to maintain market share, and to accelerate our growth in emerging countries by taking positions on all segments (entry-level, middle of the range and top end) with our four brands: Somfy, Simu, Asa, LianDa.

The Activity has also restructured its internal organization. Why?

To boost our ability to develop new markets and chase up new sources of growth. By setting up dedicated teams with specific targets for every growth source, we can increase our growth drivers. In 2010, the Awnings Business Unit was able to focus on the launch of our home automation offer for terraces. The Roller Shutter Business Unit successfully led the launch of our first swing



shutter motor. That does not in any way stop the different entities working together. The Home Automation Business Unit, for example, steered the launch of the TaHoma® Web interface, which also involved the entity responsible for developing our controls offer transversally across the Activity. ●

Our markets and our customers

The Shutter & Awning Activity, which is Somfy's original core business, serves the residential market with four brands that cover a large number of professional customers.

Somfy is the benchmark brand among end-users, installers, who are organized into Expert networks, and manufacturers who buy the motors for their end-products. On the middle-range segment, Simu offers assemblers and manufacturers efficient, high-quality solutions. The tactical brands Asa and LianDa meet the retail brands' need for competitive prices.

window and blind

delivering both comfort
and energy savings

WESER TOWER, BREMEN, GERMANY.
SOMFY SOLUTION: ANIMEO IB+

Dynamic façade management and automatic indoor solar protection have become Somfy's most international Activity. The forthcoming application of new thermal standards and the focus on interior design continue to fuel the growth of these new markets in which Somfy likes to put people at the heart of its automatic control solutions.

A new organisation for growth

Since 2010, the Window & Blind Activity has included the management of Somfy's Asia-Pacific and American commercial entities which are major sources of potential growth for its offers. In North America, the very low motorization rate for indoor solar protection (blinds, Venetian blinds, etc.) itself represents significant growth potential. In the dynamic economies of emerging countries, which generate 30% of the Activity's sales, increasing concern for the environment, the need for comfort and interior decoration are all supporting growth.

Supporting our customers' big projects

On the tertiary sector, almost 80% of international projects are designed by architecture agencies and engineering firms based outside the countries in which the work is carried out. To meet this challenge, the Activity has therefore set up an international specification team that can follow construction projects all over the world, from preliminary studies to completion. This new unit is



installed in the world's major decision-making centers (Beijing, London, Paris and New York) and has already won some major projects in the Middle East.

Integrated solutions for optimized results

Somfy improves the efficiency of its offer year after year. In addition to R&D investment, this approach can be seen in the gradual integration of energy-hungry equipment (lighting, HVAC*) in its dynamic façade management solutions. Since 2010, Somfy and Philips Lighting have sold joint solutions for the management of natural and artificial light in commercial buildings. Around thirty joint projects are in the pipeline. In the luxury homes segment, this strategy involves developing interfaces that make Somfy solutions compatible with most of the home automation systems on the market. The rejuvenation of the Mingardi brand begun in 2010 will eventually allow the growth potential of its passive natural ventilation offer (automatic window opening) to be harnessed for the design of bioclimatic buildings and for industry. ●

“DEVELOPMENT IS
INCREASINGLY BASED
ON PARTNERSHIPS
AND SUPPORTING
VARIOUS PLAYERS IN
THE CONSTRUCTION
INDUSTRY”

CLOSE-UP ON... ADAPTING BUSINESS MODELS

Interview with **Hervé Trellu**, Deputy General Manager Window & Blind Activity

Your Activity features segmented approaches and solutions. Why is this?

This groundbreaking, highly globalized activity is all about our ability to serve market segments and very different territories. Dynamic façade management and automatic indoor solar protection are new markets with very varied distribution channels. Developing them will involve dealing with a wide range of players. They may be installers and systems integrators specialized in home automation or, in many cases, specifiers, i.e. investors, architects, interior designers, engineering firms, etc.

How do you adapt to this complexity?

By crafting business models for each of our market segments. In the commercial building sector, for example, it is the size of the building that determines which contact Somfy will have to target, so we have different business models for blind fitters, owners and engineering firms. In the Window & Blind Activity, we drive this strategy with a



differentiated organization for housing and commercial buildings respectively. In the field, we are making strong investments in teams responsible for supporting different people involved in specifying our solutions. Taking this approach also forces us to work hard on the specification of our offer, and this is managed by a dedicated team working with our development centers. ●

Our markets and our customers

This Activity takes Somfy into a wide range of markets, offering three competencies: the management of natural light, solar heat and natural ventilation. In office buildings, hospitals and schools, we are developing increasingly complex solutions, harnessing dynamic façade management to generate energy savings and thermal and visual comfort. In the luxury homes segment and hotels, demand is mainly driven by interior design criteria. The Window & Blind Activity generated 75% of sales in commercial buildings and 25% in homes in 2010.

* Heating, Ventilation and Air Conditioning

door and gate

solutions for all access

Somfy Activities' multibrand strategy has helped it to reach a significant size on the motorized access markets. Door and Gate is leveraging all structural growth sources and driving external growth, in order to gain a foothold in new sectors and expand its international operations, with the aim of achieving its ambition to become the sector's European number one.

Somfy, powering Home Motion

The growing need for security and convenience has driven the growth of the Door and Gate Activity on the residential market. For several years, Somfy has continued to expand its range of automatic controls that are compatible with Radio Technology Somfy® and, as of 2011, with io-homecontrol® and can be integrated into Home Motion solutions. Somfy also sells Protexiom, a new range of alarms, whose sales grew by 42% in DIY superstores in France in 2010.

BFT, an international and complementary brand

BFT, which Somfy acquired in 2004, is a manufacturer specializing in motorized access to homes, businesses and industry. It has its own distribution network on the mature French and Italian markets where it is continuing to consolidate its sales network. BFT has operations in over 120 countries and is pushing its expansion into new European, American and Asia-Pacific markets. In 2010, BFT opened a new subsidiary in Turkey and continued to grow in emerging countries.

Simu, leveraging growth in emerging countries

The commercial access segment (motorized grilles and metal shutters) offers excellent growth prospects in Eastern Europe and the Middle East. The Activity continues to roll out the Simu brand, whose strong, high-quality products stand out decisively from the competition in the middle of the range.

“THE DOOR AND GATE ACTIVITY SERVES THE RESIDENTIAL, BUSINESS AND INDUSTRIAL SECTORS THROUGH THEIR MULTIBRAND PLATFORM.”

Consolidating European positions with Pujol

In 2009, Somfy acquired the manufacturer and distributor Pujol, Spanish leader in motorized closing systems. With the property crisis facing the domestic market in Spain, Pujol's international business has seen a promising start; it is already present in 25 countries. ●



CLOSE-UP ON... THE ALARMS MARKET

Interview with **Olivier Senée**, Deputy General Manager Door & Gate Activity

In 2010, alarm sales grew by 42% in DIY superstores. How do you explain this success?

First, we are riding high on the market's upswing. Also, Protexiom, the new range of anti-intruder alarms launched in 2009, has won new market share for Somfy. This product is both attractive and has the significant advantage of remote control via the Internet. End-users can activate the alarm from a computer, and even program the activation of roller shutters and lighting.

What is the strategy for alarms?

Alarms are a means for Somfy to penetrate the DIY superstore distribution channel. They are also strategic in terms of the offer: security is one of two ways—alongside energy savings—in which consumers come into contact with home automation. So alarms are an integral component of the security guarantee offered by the Home Motion home management system, and they play a key role in the expansion of the TaHoma® service offer.



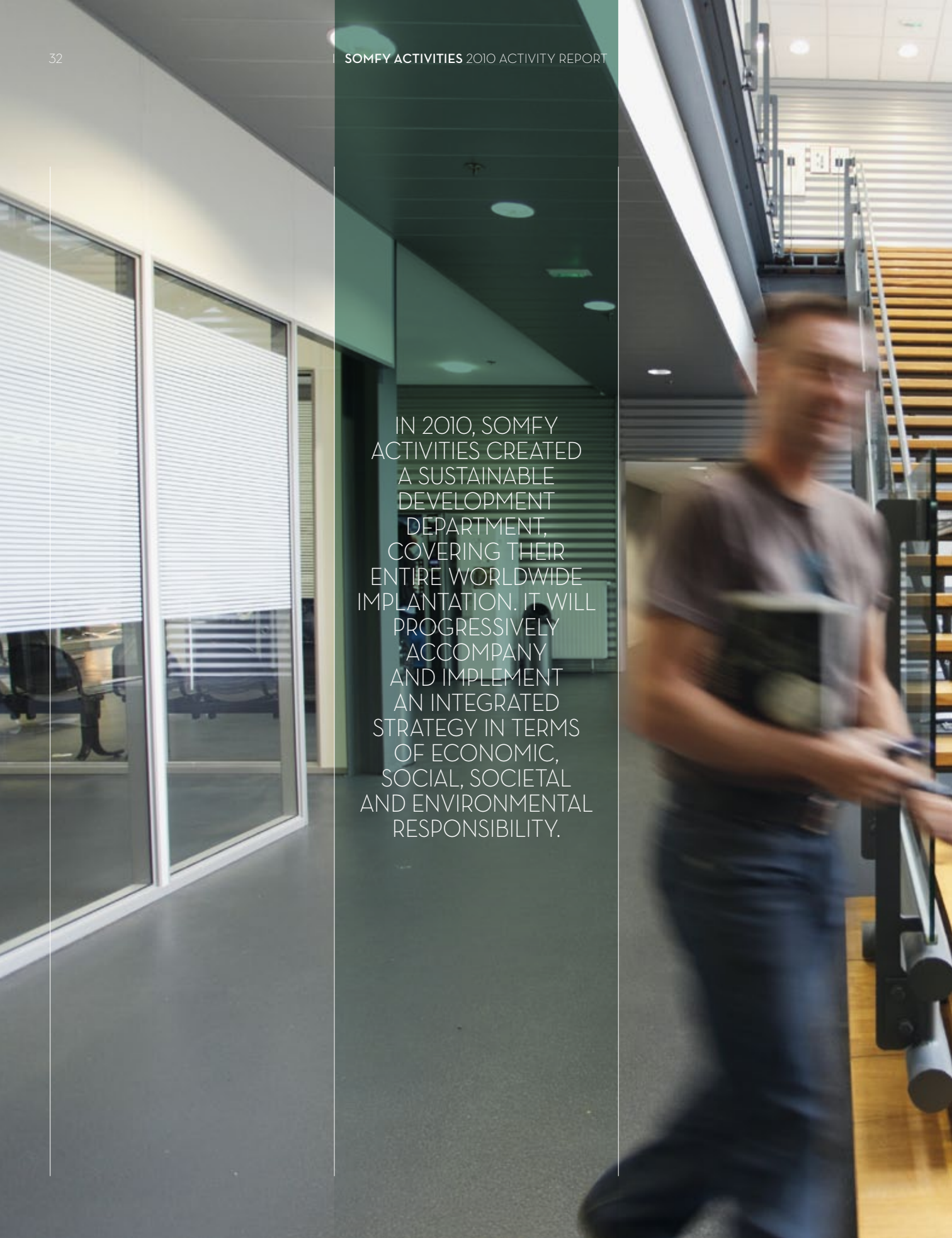
What new functions are in the pipeline?

We want to improve solutions for detection prior to break-in. In early 2011, we launched an outdoor movement detector that works with the Protexiom alarm. In alarm mode, the siren will sound and the roller shutters close automatically to secure the house. 2012 will also see a lot of innovations. ●

Our markets and our customers

The multibrand platform allows the Door and Gate Activity to serve the residential, business and industry sectors. Its 2009 acquisition of O&O has also brought Somfy into public construction and urban access, with applications for openings, barriers and bollards. Professionals (installers, manufacturers, assemblers) remain the Activity's preferred commercial channel. In order to meet the demand for self-installed products, the Somfy brand sells alarms and motors in DIY superstores in a number of European countries, including France.





IN 2010, SOMFY
ACTIVITIES CREATED
A SUSTAINABLE
DEVELOPMENT
DEPARTMENT,
COVERING THEIR
ENTIRE WORLDWIDE
IMPLANTATION. IT WILL
PROGRESSIVELY
ACCOMPANY
AND IMPLEMENT
AN INTEGRATED
STRATEGY IN TERMS
OF ECONOMIC,
SOCIAL, SOCIETAL
AND ENVIRONMENTAL
RESPONSIBILITY.

Build Motion

RESPONSIBILITIES

ECONOMIC RESPONSIBILITY

offer products that help environmental and societal progress

By creating new products and services linked to energy savings, Somfy brings new societal and environmental added value.

Innovating and raising awareness of the advantages of automatic control

Somfy's business is to design energy-saving solutions for homes and commercial buildings. It has spent several years establishing its legitimacy in the construction sector in order to boost the positive contribution to its sales of these products with high added value. This requires considerable investment in product and sales innovation. Specification, partnerships and the creation of new business models, therefore, represent its route to new markets, especially in the world's most dynamic economies.

New EU regulations for reducing the energy requirement of our buildings can make a big contribution to our growth. Somfy continues to lobby the public authorities in order to obtain the inclusion of its solutions in the new standards that are being gradually brought into effect. ●



“SOMFY IS SPEEDING UP THE IMPLEMENTATION OF NEW SOLUTIONS THAT RAISE THE LEVEL OF COMFORT AND ENERGY PERFORMANCE IN BUILDINGS WHILE ASSURING NEW DIRECTIONS OF SUSTAINABLE GROWTH.”

Somfy solutions

Acknowledged effectiveness in energy savings

Dynamic Insulation™ can reduce the interior temperature in homes by 9°C in summer, and save up to 10% on heating in winter. Bioclimatic façade solutions in commercial buildings cut the total energy requirement (for electricity, air conditioning and heating) by 20-40%, depending on the type of climate and the equipment used.

SOCIAL RESPONSIBILITY

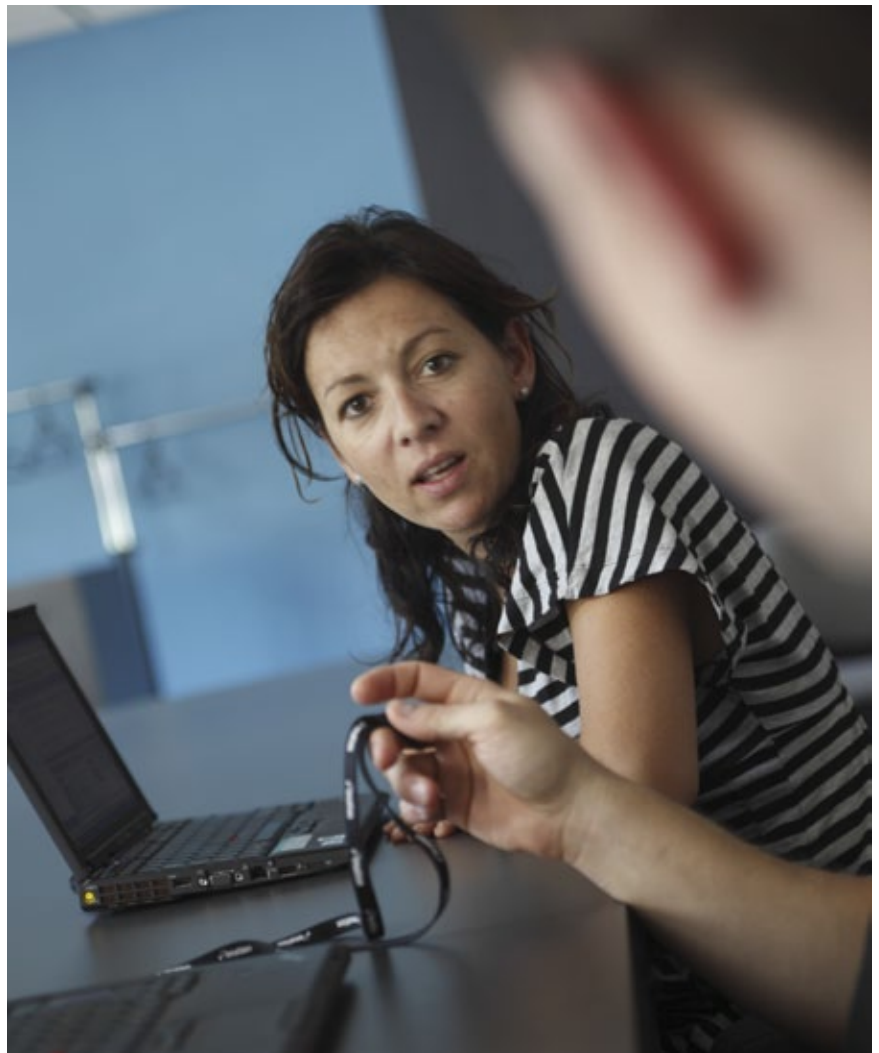
sustainable motivation

Recognizing talent

As part of its unrelenting growth strategy, Somfy takes every opportunity to promote talented employees. In 2010, 60% of new positions created in Somfy headquarters in France were taken by company employees. Distribution subsidiaries in Central Europe and Western Europe were given an internal audit to make sure that they had the right human resources for their growth ambition. Following an audit that will also take place in France and Northern Europe in 2011, competency development training was offered to employees. In France, following preparation and accompaniment financed by Somfy, over 30 manufacturing operatives and warehouse workers at Cluses and Bonneville (Haute-Savoie region of France) will be able to confirm their Professional Qualification Certificate that is acknowledged by all metal industry in France.

29,085

**HOURS OF TRAINING
PROVIDED IN FRANCE
IN 2010**





Promoting diversity

In 2009, Somfy, launched an action plan based on three axes: employee communication, hiring and maintaining people with a disability and increased subcontracting to companies employing disabled staff. This long-term commitment has been concretized by disability guidelines signed in February. Somfy also took the opportunity of national week for the employment of people with a disability to raise awareness among its employees (workers, managers, employee representatives, etc.) of the role everybody plays in hiring and retaining employees with a disability. Bonneville has overtaken the legal target since 2009 and Cluses reached it in 2010. Several voluntary actions to encourage employment of mature employees have also been launched, including a career "second half" evaluation to explore employees' professional intentions. Specific actions encouraging work-experience/education schemes and the employment of interns have been conducted in-house and with schools.

Encouraging ideas

The nine winning projects selected from the 650 ideas submitted by employees for the "Your dreams, our projects" contest in 2009 are in the initial stages of implementation. The goal of the Dolphin Project is to give children of Somfy employees their first taste of professional life in a Group subsidiary or entity outside their home country. As its activity goes global, Somfy is launching a pilot version of an in-house social network designed to foster cooperation between teams and information sharing. This platform, called Tog@ther, contains most of the social tools that use Web 2.0 technology. 



2010 internal opinion survey

80% satisfaction rate

The fifth employee opinion survey revealed a high level of satisfaction, supported by the possibility of personal fulfillment at work, an ability to grow within the Group and the positive perception of the Group by its employees. The high response rate (70% of employees) also reflects people's commitment to company life. Down from its 2008 level, cooperation between Somfy's different entities is now the subject of a targeted action plan.



ENVIRONMENTAL RESPONSIBILITY

a progressive, continuous approach



After the 2008 Carbon Footprint[®] carried out on the French sites, Somfy continued to follow the action plan designed to improve the environmental performance of its activity and its products. In 2010, Somfy began to roll out its environmental policy beyond Europe, launching action on its Tunisian site that will continue in 2011.

Waste transport and management

Following the 21 measures taken last year in the four Haute-Savoie sites, the first encouraging results were published in 2010. Personal travel was the third-ranking cause of greenhouse gas emissions in 2008, and more journeys are now made by train. In 2010, 47% of journeys to Paris were made by train compared to just 26% in 2007. These journeys now generate 22% less carbon dioxide than three years ago on average. At the end of 2010, waste sorting and recycling were harmonized across all sites in Haute-Savoie, which generate 780 tons of waste every year. In the last quarter, 13 tons of paper were recovered and recycled. A single contractor is responsible for waste sorting and a continuous progress initiative that regularly improves the sorting process.



SOMFY R&D CENTER, CLUSES, FRANCE

Energy efficiency in buildings

Factories, warehouses and office buildings in Somfy's four sites in Haute-Savoie have been given an energy audit to evaluate the potential savings and draw up an action plan for implementation as of 2011. Investments have been planned to improve the heating and air conditioning systems and the lighting regulation.

Extension of Somfy's environmental program

The results of the Carbon Footprint® carried out in the Simu production site in Haute Saone were analyzed in 2010 and will allow Somfy to extend its environmental program. One priority will be to reduce the products' energy and environmental footprint throughout their life cycle, from the extraction of raw materials to their reprocessing on disposal. Within the Somfy brand, an action plan to reduce the consumption of electricity is underway. ●

Environmental Product labeling

Somfy, member of PEP Ecopassport

The biggest producers of electrical and air-conditioning equipment have come together in the organization PEP Ecopassport to promote the use of PEPs (Product Environmental Profiles) in their sectors. Within PEP Ecopassport, which was created with trade unions including IGNEs and GIMELEC, Somfy is researching a methodology for creating PEPs, whereby products may ultimately be labeled with their environmental characteristics.

“IN FRANCE, 22 ECO-AMBASSADORS ARE RESPONSIBLE FOR PROMOTING GREEN INITIATIVES CONCERNING SOMFY BRAND PRODUCTS ON A DAILY BASIS.”

SOCIETAL RESPONSIBILITY

a societal mission to fill

A local social role for the Somfy Foundation

Involved for over 40 years in local Haute-Savoie communities, Somfy intends to develop their role as a citizen through sustained financial support of the Somfy Foundation and their social actions.

In a first step, actions are based in the Rhône-Alpes region in France. In 2010, contacts were taken with local politicians to determine possible areas of intervention, creating the basis for a new commitment that will lead to first projects in 2011.

“For a better home in a better planet”

Somfy Foundation has been created “for a better home in a better planet” and will engage with Emmaüs to help improve the lodgings of people who are in difficult living conditions or homeless. In 2010, the Foundation also renewed their partnership with the Emergency Architects, ongoing since 2004, leading to new reconstruction programs and training for construction professionals in areas that have been struck by natural disasters or conflict. The Somfy Foundation helped finance projects in Haiti following the earthquake in January 2010 as well as in South America.

New members on the Foundation board

In order to accompany the development of Somfy Foundation's fields of action, the board has welcomed three new members from outside the company: the philosopher Dominique Bourg, the Olympic biathlon champion Vincent Defrasne, and the former international reporter Marine Jacquemin. Now including six members, the board has the mission to offer and select projects for the Foundation. ●



**Somfy
Foundation**

for a better home in a better planet

€700,000

**SOMFY FOUNDATION BUDGET
IN 2010**



Partnership

Somfy supports Annecy's bid for the 2018 Winter Olympic Games

Official partner of the French biathlon teams since 2005 which excelled at the Vancouver Winter Olympics in 2010, Somfy is also one of the official partners of Annecy's bid for the 2018 Winter Olympic Games. Won over by the environmentally respectful project led by the bid city, the Group intends to help their native region to be known internationally. This action is coupled with a partnership with the French National Olympic Committee until the 2012 Olympic Games in London.

Somfy is split into two separate branches. The first, Somfy Activities, is dedicated to the Group's core business, the automatic control of openings and closures in homes and buildings. The second, Somfy Participations, is dedicated to investments in industrial companies which are not within Somfy's core business.

The following figures represent the entire Somfy Group, including both Somfy Activities and Somfy Participations.

2010 RESULTS

SALES

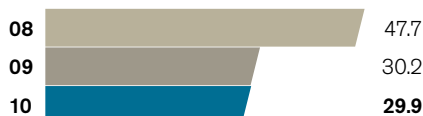
(€ million)



Group published sales rose by 12.1% at real value and 8.9% on a like-for-like basis compared to 2009 with a contribution of €747.4 million from Somfy Activities and €105.2 million for Somfy Participations. For Somfy Activities, the like-for-like progression in 2010 is 8.5%. All geographical areas finished the year on the rise. For Somfy Participations, the 2010 like-for-like progression is 11.4%. The three fully consolidated subsidiaries recovered and were on the rise throughout the year.

INVESTMENT IN TANGIBLE AND INTANGIBLE ASSETS

(€ million)



At €29.9 million, the level of tangible and intangible assets remained stable compared to 2009.

CURRENT OPERATING RESULT

(€ million)



Current operating result increased by 14.3% compared to 2009, with €128.1 million for Somfy Activities, up by 12.6%. This evolution includes not only a return to growth and a consistent gross margin but also increased budgets for R&D and marketing. For Somfy Participations, the current operating result was €10.7 million, up 38.8% compared to 2009, with recovery in the activity of the fully consolidated subsidiaries.

CASHFLOW

(€ million)



The Group improved its cash flow by €6.1 million which includes the increase in net income and the change in expenses calculated from one period to the other.

NET RESULT

(€ million)



Published net result rose by 9.5% to €96.2 million. It includes goodwill depreciation (-€6.0 million) and incorporates a negative contribution from equity accounted companies (-€11.6 million) due to the decline of their results and the depreciation of CIAT's equity.

NET FINANCIAL DEBT

(€ million)



Net financial debt came to €35.1 million after the acquisition of 70% of Ningbo Dooya. This amount includes debt, from now on, linked to sales options granted to shareholders who didn't give control (€39.7 million). On a like-for-like presentation, net financial surplus rose from €5 million in 2010 compared to €13 million in 2009.

2010 INDICATORS

SALES BY REGION

€ thousand

	2010	2009	N/N-1 change	N/N-1 change on a like-for-like basis
France	225,546	203,504	10.8%	10.5%
Germany	113,562	101,257	12.2%	12.1%
Northern Europe	88,775	83,383	6.5%	4.1%
Central and Eastern Europe	60,407	52,503	15.1%	9.2%
Southern Europe, Middle East & Africa	143,214	128,373	11.6%	5.3%
Asia Pacific	52,102	40,279	29.4%	14.4%
Americas	63,807	57,242	11.5%	4.3%
Somfy Activities	747,413	666,541	12.1%	8.5%
Somfy Participations	105,193	94,236	11.6%	11.4%
Somfy Consolidated	852,606	760,777	12.1%	8.9%

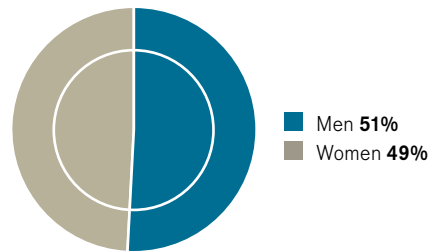
TOTAL HEADCOUNT



HEADCOUNT BY AGE GROUP



HEADCOUNT BY GENDER



HEADCOUNT BY REGION

