



HALF YEAR FINANCIAL REPORT
END OF JUNE 2012



**Somfy SA**

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

Registered office:

50 avenue du Nouveau Monde – 74 300 Cluses – France

Registration number: 476 980 362 RCS Annecy

A – Condensed interim consolidated financial statements

■ Consolidated income statement

€ thousands	Notes	30/06/12 HY1	30/06/11* HY1	31/12/11 FY
Sales		513,934	501,188	952,430
Other operating income		5,349	5,832	15,368
Cost of sales		-182,188	-172,228	-346,897
Employee expenses		-155,585	-144,807	-285,149
External expenses		-85,451	-83,178	-172,835
EBITDA		96,059	106,807	162,917
Amortisation and depreciation charges		-19,516	-18,134	-37,781
Charges/reversals to current provisions		-568	26	-190
Gains and losses on disposal of non-current operating assets		-529	-156	-284
CURRENT OPERATING RESULT		75,446	88,543	124,661
Other operating income and expenses	(1)	-2,378	-535	-1,961
Impairment of goodwill	(6)	-8,494	-3,600	-6,360
OPERATING RESULT		64,574	84,407	116,340
Financial income from investments		4,165	3,816	8,029
Financial expenses related to borrowings		-3,194	-3,018	-6,298
Cost of net financial debt		971	798	1,731
Other financial income and expenses		-834	66,029	68,707
NET FINANCIAL INCOME	(2)	137	66,827	70,438
PROFIT BEFORE TAX		64,712	151,234	186,778
Income tax	(3)	-17,433	-20,105	-24,896
Share of profit of equity-accounted companies	(9)	-3,181	-926	-456
NET PROFIT		44,098	130,203	161,427
attributable to: Group share		43,688	129,851	160,613
Non-controlling interests		409	352	814
Basic earnings per share (€)	(4)	5.90	17.09	21.47
Diluted earnings per share (€)	(4)	5.87	17.00	21.35

* Pursuant to IFRS 3, the acquisition price of Dooya had provisionally been allocated in the 2010 financial statements. Additional allocation work has been carried out within the one-year allocation timeframe, which led to restating the income statement at 30 June 2011.

Net profit published at 30 June 2011 was adversely affected by the amortisation of intangible assets recognised as part of the Dooya business combination:

€ thousands	
Profit published at 30 June 2011	130,939
Dooya business combination	-736
RESTATED PROFIT AT 30 JUNE 2011	130,203

■ Consolidated statement of comprehensive income

€ thousands	30/06/12	30/06/11
Net profit for the period	44,098	130,203
Movement in gains and losses on translation of foreign currency	2,155	-1,200
Movement in fair value of available-for-sale assets	-	-64,068
Movement in fair value of interest rate hedgings	62	668
Movement in fair value of foreign currency hedgings	563	691
Movement in actuarial gains and losses	-	-
Movement in tax on income and expenses recognised directly in equity	815	-543
Other items of comprehensive income directly recognised in equity	3,595	-64,452
Comprehensive income for the period (1)	47,693	65,751
Attributable to: Group share	47,281	65,624
Non-controlling interests (1)	412	128

(1) The difference in net profit with the consolidated statement of changes in equity is due to the variation in the value of the put options granted to holders of non-controlling interests: €420 thousand at 30 June 2012 and €516 thousand at 30 June 2011.

■ Consolidated balance sheet

ASSETS			
€ thousands	Notes	30/06/12 Net	31/12/11 Net
Non-current assets			
Goodwill	(6)	220,150	224,887
Intangible assets	(7)	72,163	72,614
Property, plant and equipment	(8)	218,095	214,810
Equity-accounted companies	(9)	111,022	115,008
Financial assets	(10)	219,272	217,399
Other receivables		9,618	9,690
Deferred tax assets		31,087	29,599
Employee benefits		38	34
Derivative instruments		–	–
Total Non-current assets		881,444	884,041
Current assets			
Inventory	(11)	148,605	138,904
Trade receivables		200,020	144,616
Other receivables		18,057	20,855
Current tax assets		7,526	18,504
Financial assets	(10)	822	1,997
Derivative instruments		1	–
Cash and cash equivalents		87,422	71,845
Total Current assets		462,453	396,721
Assets held for sale		–	–
TOTAL ASSETS		1,343,897	1,280,762

EQUITY AND LIABILITIES			
€ thousands	Notes	30/06/12	31/12/11
Shareholders' equity			
Share capital		7,837	7,837
Share premium		1,866	1,866
Other reserves		780,435	670,905
Net profit for the period		43,688	160,613
Group share		833,826	841,221
Non-controlling interests		101	24
Total Shareholders' equity		833,927	841,245
Non-current liabilities			
Non-current provisions	(12)	10,279	9,196
Other financial liabilities	(13)	78,647	76,972
Other liabilities		1,833	832
Employee benefits		18,576	17,998
Deferred tax liabilities		58,431	60,279
Derivative instruments		2,260	2,570
Total Non-current liabilities		170,027	167,846
Current liabilities			
Current provisions	(12)	10,031	10,794
Other financial liabilities	(13)	121,715	84,104
Trade payables		104,593	94,792
Other liabilities		89,003	76,138
Tax liabilities		13,540	4,197
Derivative instruments		1,060	1,646
Total Current liabilities		339,942	271,671
Liabilities held for sale		–	–
TOTAL LIABILITIES		1,343,897	1,280,762

■ Consolidated statement of changes in equity

€ thousands	Share capital (1) premium	Share	Treasury shares	Gain/loss on available-for-sale assets	Actuarial differences	Interest rate hedgings	Foreign currency hedgings	Acquisition cost of non-controlling interests	Deferred tax	Changes in foreign exchange rates	Consolidated reserves and net profit	Total share-holders' equity	Non-controlling interests	Total sharehol-ders' equity (Group share)
AT 31 DECEMBER 2011	7,837	1,866	-62,624	-130	-5,439	-904	-1,068	-	2,787	8,447	890,472	841,245	24	841,221
Income and expenses recorded during the period	-	-	-	-	-	62	563	-	815	2,155	43,678	47,273	-8	47,281
Treasury share transactions	-	-	-12,072	-	-	-	-	-	-	-	106	-11,966	-	-11,966
Dividends	-	-	-	-	-	-	-	-	-	-	-38,517	-38,517	-	-38,517
Other movements (2)	-	-	-	-	-	-	-	-2,369	-	-	-1,738	-4,107	84	-4,191
AT 30 JUNE 2012	7,837	1,866	-74,696	-130	-5,439	-842	-505	-2,369	3,602	10,602	894,001	833,927	101	833,826

(1) Share capital is comprised of 7,836,800 shares with a par value of €1. No change occurred during the first half year 2012.

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

€ thousands	Share capital (1) premium	Share	Treasury shares	Gain/loss on available-for-sale assets	Actuarial differences	Interest rate hedgings	Foreign currency hedgings	Acquisition cost of non-controlling interests	Deferred tax	Changes in foreign exchange rates	Consolidated reserves and net profit	Total share-holders' equity	Non-controlling interests	Total sharehol-ders' equity (Group share)
AT 31 DECEMBER 2010	7,837	1,866	-39,303	67,938	-2,920	-1,119	-1,073	-	-100	2,003	772,643	807,772	111	807,661
Income and expenses recorded during the period	-	-	-	-64,068	-	668	691	-	-543	-1,200	129,687	65,236	-388	65,624
Treasury share transactions	-	-	202	-	-	-	-	-	-	-	730	932	-	932
Dividends	-	-	-	-	-	-	-	-	-	-	-39,583	-39,583	-	-39,583
Other movements (2)	-	-	-	-	-	-	-	-	-	-	-5,442	-5,442	-61	-5,381
AT 30 JUNE 2011	7,837	1,866	-39,101	3,870	-2,920	-451	-382	-	-643	804	858,035	828,916	-336	829,253

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

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

■ Consolidated cash flow statement

€ thousands	Notes	30/06/12 HY1	30/06/11* HY1	31/12/11 FY
Consolidated net profit		44,098	130,203	161,427
Depreciation and amortisation of assets (excluding current assets)		30,372	21,328	44,678
Charges to and reversals of provisions for liabilities		1,067	- 52	591
Unrealised gains and losses related to fair value movements		- 269	- 831	- 276
Unrealised foreign exchange gains and losses		- 202	2,132	1,039
Income and expenses related to stock options and employee benefits		1,813	1,833	4,004
Depreciation, amortisations, provisions and other non-cash items		32,781	24,410	50,037
Profit on disposal of assets and others		2,374	- 62,691	- 66,506
Share of net profit of associates		567	926	- 44
Deferred tax expense		- 2,287	- 998	4,090
Cash flow		77,532	91,850	149,004
Cost of net financial debt (excluding non-cash items)		- 629	- 350	- 1,401
Dividend of non-consolidated companies		-	- 4,590	- 4,932
Tax expense (excluding deferred tax)		19,720	21,102	20,807
Change in working capital requirements	(15)	- 42,277	- 60,393	- 22,859
Tax paid		541	- 23,348	- 44,576
CASH FLOW FROM OPERATING ACTIVITIES (A)		54,887	24,271	96,043
Acquisition-related disbursements:				
– intangible assets and property, plant and equipment		- 19,376	- 18,079	- 41,985
– non-current financial assets		- 321	- 15,410	- 17,030
Disposal-related proceeds:				
– intangible assets and property, plant and equipment		92	362	718
– non-current financial assets		311	100,194	108,045
Change in current financial assets		1,676	143	- 1,078
Acquisition of companies, net of cash acquired	(5)	- 3,590	- 2,606	- 57,876
Disposal of companies, net of cash disposed		- 1,053	-	-
Acquisition/disposal of non-controlling interests		-	-	-
Dividends paid by equity-accounted companies		325	20	-
Dividends paid by non-consolidated companies		-	-	4,932
Interest received		565	478	1,660
CASH FLOW USED IN INVESTING ACTIVITIES (B)		- 21,370	65,101	- 2,614
Increase in loans		57,824	275	458
Reimbursement of loans		- 17,764	- 60,632	- 44,353
Other transactions with non-controlling interests	(5)	- 3,854	- 663	- 663
Net increase in share capital of subsidiaries		-	-	-
Dividends paid		- 38,517	- 39,583	- 39,600
Movement in treasury shares		- 12,157	748	- 23,056
Interest paid		- 3,126	- 2,710	- 5,832
CASH FLOW USED IN FINANCING ACTIVITIES (C)		- 17,595	- 102,565	- 113,046
Impact of changes in foreign exchange rates on cash and cash equivalents (D)		650	- 1,999	701
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		16,572	- 15,192	- 18,917
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	(15)	66,002	84,919	84,919
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(15)	82,573	69,727	66,002

* Pursuant to IFRS 3, the acquisition price of Dooya had been provisionally allocated in the 2010 financial statements. Additional allocation work has been carried out within the one-year allocation timeframe, which led to restating the cash flow statement at 30 June 2011.

■ Notes to the interim consolidated financial statements

1. Approval of financial statements

Somfy Group's condensed consolidated financial statements at 30 June 2012 were reviewed by the Supervisory Board on 30 August 2012.

2. Highlights

Somfy Activities wrote down the goodwill of O&O and Pujol:

- the outlook for **O&O**, a subsidiary of BFT SpA that produces lifting gates, rising bollards and automated sliding doors has deteriorated compared to the acquisition business plan, due to the macro-economic situation prevailing in Southern Europe, where the company conducts most of its business. The unallocated goodwill was additionally impaired for €2.8 million. It has now been fully written down;
- the outlook for short and medium-term profit growth led to a review of Spanish company **Pujol's** business plan, which has been seriously affected by the deteriorated macro-economic environment prevailing in Southern Europe. The entire unallocated goodwill has been written down for €5.7 million.

Somfy Activities wrote down €0.5 million from the equity value of its 40% investment in **Oxygen (Astélia)**, a company which specialises in alarm systems for the house-bound elderly. This impairment was recognised after indications of a loss in value were noted.

Somfy Participations wrote down €2.1 million from the equity value of **CIAT**. This writedown follows a review of the business plan of the company due to difficulties encountered in the first half of the year.

A tax audit of **Somfy SAS** relating to 2009 and 2010 is in progress.

The financial statements at 30 June 2011 have been restated following the final allocation of the acquisition price of Dooya.

3. Changes in consolidation scope

Somfy Activities acquired:

- the distributor **BFT Lazio**, through its subsidiary BFT SpA. 60% of the capital were acquired at a price of €0.7 million. A mutual put/call option was included in the contract for 2015, in relation to the remaining 40% of the capital. This acquisition generated goodwill of €0.4 million. This company was fully consolidated from the date of acquisition (April 2012) and contributed €0.2 million to Group sales;

- the distributor **TRS Standard**, through its subsidiary BFT SpA. 60% of the capital were acquired at a price of €1.4 million. A mutual put/call option was included in the contract for 2015, in relation to 30% of the capital. The remaining 10% are subject to a deadlock resolution clause. This acquisition generated goodwill of €1.3 million. This company was fully consolidated from the date of acquisition (June 2012) and contributed €0.4 million to Group sales;
- the remaining 10% in **BFT Sud-Ouest**, through its subsidiary BFT SpA, for €0.3 million. This company was already fully consolidated, therefore no change of control took place;
- 15% of **LianDa** for €1.5 million, thus increasing its equity holding to 95%. This company was already fully consolidated, therefore no change of control took place;
- the remaining 60% of **Axis'** capital for €0.9 million. This company was previously equity-accounted. With Somfy assuming control, Axis is now fully consolidated. This change of method generated goodwill of €1.2 million. Axis contributed €0.3 million to Group sales.

Somfy Activities disposed of:

- its subsidiary **Kléréo**. The negative impact on operating result was €1.0 million,
- its subsidiary **Iblind**. The negative impact on operating result was €0.9 million.

4. Accounting rules and methods

4.1 New applicable standards and interpretations

The interim financial statements at 30 June 2012 were prepared in accordance with the principles of IAS 34 "Interim financial reporting". Accounting rules and methods are identical to those used in the preparation of the consolidated financial statements at 31 December 2011, except for the following amendments adopted by the European Union, the application of which is compulsory for the 2012 financial year, and which had no significant impact on the Group's interim financial statements:

- Amendments to IFRS 7 "Disclosures – Transfers of financial assets".

The following standards, adopted by the European Union and whose application will become mandatory at a later stage, were not applied early:

- IAS 19 "Employee benefits" applicable from 1 January 2013,
- Amendments to IAS 1 "Presentation of items of other comprehensive income (OCI)" applicable from 1 July 2012.

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

- IFRS 9 “Financial instruments” applicable from 1 January 2015,
- IAS 27 “Separate financial statements” applicable from 1 January 2013,
- IAS 28 “Investments in associates and joint ventures” applicable from 1 January 2013,
- IFRS 10 “Consolidated financial statements” applicable from 1 January 2013,
- IFRS 11 “Joint arrangements” applicable from 1 January 2013,
- IFRS 12 “Disclosure of interests in other entities” applicable from 1 January 2013,
- IFRS 13 “Fair value measurement” applicable from 1 January 2013,
- Amendments to IAS 12 “Deferred tax – Recovery of underlying assets” applicable from 1 January 2012,
- Amendments to IAS 32 “Offsetting financial assets and financial liabilities” applicable from 1 January 2014,
- Amendments to IFRS 9 and IFRS 7 “Mandatory effective date and transition disclosures” applicable from 1 January 2015,
- Amendments to IFRS 7 “Disclosures – Offsetting financial assets and financial liabilities” applicable from 1 January 2013,
- Amendments to IFRS 1 “Government loans” applicable from 1 January 2013,
- Improvements to IFRS (May 2012) applicable from 1 January 2013,
- Transition guidance IFRS 10, IFRS 11 and IFRS 12 applicable from 1 January 2013,
- IFRIC 20 interpretation “Stripping Costs in the Production Phase of a Surface Mine” applicable from 1 January 2013.

The condensed interim consolidated financial statements do not contain all disclosures and notes included in full-year financial statements. As a result, they must be read in conjunction with the Group’s consolidated financial statements at 31 December 2011.

The Group’s consolidated financial statements for the year ended 31 December 2011 are available from the Group’s website: www.somfyfinance.com and upon request from head office.

4.2 Change in the French tax rules

The Somfy Group opted for the early application of the provision of the 2012 Amending Finance Act making write-offs of a financial nature non tax-deductible. The early application of this provision had a negative impact of approximately €1.5 million on the income from tax consolidation.

5. Seasonality

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

■ Segment reporting

The Group is organised in two divisions:

- **Somfy Activities**, which includes the companies whose operations come within the scope of Somfy’s three traditional businesses, “Shutter & Awning”, “Window & Blind” and “Access”;
- **Somfy Participations**, which is dedicated to investing in industrial companies outside Somfy’s core business. This division holds interests in Cotherm, Zurflüh-Feller, Sirem, Gaviota Simbac, CIAT, Pellenc and FAAC.

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

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

At 30 June 2012

€ thousands	Somfy Activities	Somfy Participations	Other*	Inter-segment	Consolidated
Segment sales	455,758	59,733	–	– 1,556	513,934
Segment profit (current operating result)	71,613	3,919	– 86	–	75,446
Share of net profit of equity-accounted companies	– 463	– 2,718	–	–	– 3,181
Cash flow	68,881	9,078	– 427	–	77,532
Intangible assets and PPE investments	18,142	3,548	–	–	21,690
Goodwill	188,890	31,260	–	–	220,150
Net intangible assets and PPE	232,277	57,981	–	–	290,258
Non-consolidated investments	68	132,210	–	–	132,278
Equity-accounted companies	690	110,332	–	–	111,022

* The column "Other" mainly includes financing costs and exchange differences which may not be directly attributed to one of the two segments.

At 30 June 2011

€ thousands	Somfy Activities	Somfy Participations	Other*	Inter-segment	Consolidated
Segment sales	441,949	60,592	–	– 1,353	501,188
Segment profit (current operating result)	83,548	5,058	– 63	–	88,543
Share of net profit of equity-accounted companies	– 340	– 586	–	–	– 926
Cash flow	79,215	13,485	– 850	–	91,850
Intangible assets and PPE investments	18,161	3,103	–	–	21,264
Goodwill	190,782	34,069	–	–	224,851
Net intangible assets and PPE	219,648	59,793	–	–	279,441
Non-consolidated investments	66	138,586	–	–	138,652
Equity-accounted companies	1,958	47,551	–	–	49,509

* The column "Other" mainly includes financing costs and exchange differences which may not be directly attributed to one of the two segments.

At 31 December 2011

€ thousands	Somfy Activities	Somfy Participations	Other*	Inter-segment	Consolidated
Segment sales	842,775	112,499	–	– 2,844	952,430
Segment profit (current operating result)	118,176	6,605	– 120	–	124,661
Share of net profit of equity-accounted companies	– 925	469	–	–	– 456
Cash flow	128,287	19,247	1,469	–	149,004
Intangible assets and PPE investments	38,699	6,235	–	–	44,934
Goodwill	193,273	31,614	–	–	224,887
Net intangible assets and PPE	228,768	58,656	–	–	287,424
Non-consolidated investments	41	132,159	–	–	132,200
Equity-accounted companies	1,503	113,505	–	–	115,008

* The column "Other" mainly includes financing costs and exchange differences which may not be directly attributed to one of the two segments.

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

€ thousands	30/06/12	30/06/11	31/12/11
France	112,842	109,766	112,306
Germany	8,237	7,741	7,783
Northern Europe	3,270	3,377	3,368
Eastern and Central Europe	2,334	2,251	2,246
Southern Europe, Middle East and Africa	63,778	64,429	63,569
Asia Pacific	37,497	27,546	35,284
Americas	4,319	4,538	4,212
SOMFY ACTIVITIES	232,277	219,648	228,768
Somfy Participations	57,981	59,793	58,656
CONSOLIDATED SOMFY	290,258	279,441	287,424

Sales by customers' location

€ thousands	30/06/12 HY1	30/06/11 HY1	Variance N/N-1	Variance N/N-1 like-for-like	31/12/11 FY
France	132,065	131,930	0.1%	0.1%	240,617
Germany	69,787	66,303	5.3%	4.6%	131,643
Northern Europe	48,834	53,761	-9.2%	-10.4%	90,839
Eastern and Central Europe	38,811	34,558	12.3%	11.4%	73,886
Southern Europe, Middle East and Africa	84,117	85,822	-2.0%	-3.2%	158,416
Asia Pacific	38,106	32,645	16.7%	7.0%	76,727
Americas	44,041	36,930	19.3%	13.2%	70,647
SOMFY ACTIVITIES	455,761	441,949	3.1%	1.3%	842,775
Somfy Participations	59,731	60,592	-1.4%	-1.7%	112,499
Intragroup sales	-1,558	-1,353	15.2%	15.2%	-2,844
CONSOLIDATED SOMFY	513,934	501,188	2.5%	0.9%	952,430

■ Notes to the financial statements

1. Other operating income and expenses

€ thousands	30/06/12 HY1	30/06/11 HY1	31/12/11 FY
Charge/reversal to non-current provisions	-86	1,587	1,989
Other non-current items	-337	-1,931	-3,949
- Non-current income	592	311	859
- Non-current expenses	-929	-2,242	-4,808
Net gain/(loss) on disposal of assets	-1,955	-191	-1
OTHER OPERATING INCOME AND EXPENSES	-2,378	-535	-1,961

At 30 June 2012, other operating income and expenses included capital losses on the disposal of Kléréo and Iblind for €1.0 million and €0.9 million, respectively.

2. Net financial income

€ thousands	30/06/12 HY1	30/06/11 HY1	31/12/11 FY
Cost of net financial debt	971	798	1,731
– Financial income from investments	4,165	3,816	8,029
– Financial expenses related to borrowings	– 3,194	– 3,018	– 6,298
Effect of foreign currency translation	– 920	– 1,602	– 2,695
Other	86	67,631	71,403
NET FINANCIAL INCOME	137	66,827	70,438

Note: at 30 June 2011, the “Other” caption of net financial income included the capital gain on the disposal of agta record for €63.0 million and FAAC dividends of €4.6 million.

3. Income taxes

€ thousands	30/06/12 HY1	30/06/11 HY1	31/12/11 FY
Profit before tax	64,712	151,234	186,778
Expenses on dividends	3,108	2,828	2,826
Dividends from non-consolidated companies	–	– 4,590	– 4,590
agta record capital gain net of shares of expenses *	–	– 60,865	– 60,865
Other	10,802**	4,310	– 4,734
Permanent differences	13,910	– 58,317	– 67,363
Net profit taxed at reduced rate***	– 10,010	– 10,677	– 18,755
Net profit taxable at standard rate	68,612	82,240	100,660
Tax rate in France	36.10%	34.40%	36.10%
Tax charge recalculated at the French standard rate	24,769	28,291	36,338
Tax at reduced rate***	1,627	1,666	3,047
Difference in standard rate in foreign countries	– 10,181	– 11,682	– 16,436
Tax losses for the year, unrecognised in previous periods, deficits used	229	1,739	927
Effect of the rate difference	– 9,952	– 9,943	– 15,509
Tax credits	– 135	– 1,039	– 1,422
Other taxes and miscellaneous	1,124	1,130	2,442
Group tax	17,433	20,105	24,896
Effective rate	26.94%	13.29%	13.33%

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

** Including goodwill impairment of €8,494 thousand (O&O and Pujol).

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

4. Earnings per share

	30/06/12 HY1	30/06/11 HY1	31/12/11 FY
Earnings per share			
Net profit - Group share (€ thousands)	43,688	129,851	160,613
Total number of shares (1)	7,836,800	7,836,800	7,836,800
Treasury shares* (2)	433,365	238,353	356,583
Number of shares used in calculation (1) - (2)	7,403,435	7,598,447	7,480,217
BASIC EARNINGS PER SHARE (€)	5.90	17.09	21.47

* Representing the total treasury shares held by Somfy SA.

	30/06/12 HY1	30/06/11 HY1	31/12/11 FY
Diluted earnings per share			
Net profit - Group share (€ thousands)	43,688	129,851	160,613
Total number of shares (1)	7,836,800	7,836,800	7,836,800
Treasury shares** (2)	391,429	196,692	314,922
Number of shares used in calculation (1) - (2)	7,445,371	7,640,108	7,521,878
DILUTED EARNINGS PER SHARE (€)	5.87	17.00	21.35

** Excluding treasury shares allocated to stock option and free share plans.

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

5. Business combinations and acquisitions of non-controlling interests

Acquisitions during the first half year 2012:

- Acquisition of 60% of the capital of **BFT Lazio** for €0.7 million
- Acquisition of 60% of the capital of **TRS Standard** for €1.4 million
- Acquisition of the remaining 60% of the capital of **Axis** for €0.9 million

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

€ thousands	Fair value recognised at the date of acquisition Somfy Activities
Goodwill	2,906
Net intangible assets	472
Net property, plant and equipment	168
Net financial assets	79
Other non-current receivables	–
Deferred tax assets	106
Inventory	1,796
Trade receivables	1,717
Other current receivables	84
Other current financial assets	19
Cash and cash equivalents net	– 640
Tax receivable	–
Non-current provisions	–
Other non-current financial liabilities	– 1,619
Other non-current liabilities	– 241
Employee benefits	–
Deferred tax liabilities	– 142
Current provisions	–
Other current financial liabilities	– 318
Trade payables	– 1,769
Other current liabilities	– 511
Current tax liabilities	–
Equity-accounted companies	– 350
Non-controlling interests and impact of put options on shareholders' equity	1,193
Acquisition cost	2,950
Less: cash acquired	640
Total	3,590
Other funding	–
CASH FLOW FROM ACQUISITIONS, NET OF CASH ACQUIRED	3,590
(+) Cash outflow	

Net cash flows were also impacted by the acquisition of a non-controlling interest in LianDa (€3.9 million including acquisition expenses relating to this transaction).

6. Goodwill

€ thousands	Value
AT 1 JANUARY 2012	224,887
Changes in scope of consolidation	2,906
Changes in foreign exchange rate	1,123
Other movements	- 273
Charge for impairment	- 8,494
AT 30 JUNE 2012	220,150

Impairment test

The outlook for **O&O** and **Pujol** has deteriorated compared to their respective acquisition business plans. Their goodwill has been impaired by €2.8 million and €5.7 million, respectively. The 12% discount rate used takes into account economic difficulties in Southern Europe, where the majority of O&O and Pujol's business is based.

No indication of impairment was noted at 30 June 2012 in relation to other Group CGUs.

7. Intangible assets

€ thousands	Allocated intangible assets	Development costs	Patents and brands	Software	Other	In progress and advance payment	Total
Gross value at 1 January	56,271	19,842	6,571	34,426	1,628	5,344	124,082
Additions	-	-	62	1,359	12	2,475	3,908
Disposals	-	-20	-	- 243	-156	-	- 419
Effect of change in foreign exchange rates	593	-	78	53	4	-	728
Change in scope of consolidation	450	-	- 22	- 47	- 59	-	322
Other movements	-	1,463	-	208	32	-1,673	31
AT 30 JUNE 2012	57,314	21,285	6,689	35,755	1,461	6,147	128,651
Accumulated amortisation at 1 January	- 11,530	- 11,244	- 1,888	- 25,644	- 1,163	-	- 51,469
Amortisation charge for the period	- 2,287	- 1,312	- 136	- 1,446	- 86	-	- 5,267
Disposals	-	9	-	236	156	-	401
Effect of change in foreign exchange rates	- 179	-	- 4	- 37	- 4	-	- 224
Change in scope of consolidation	-	-	- 35	67	52	-	84
Other movements	-	- 280	496	- 228	- 2	-	- 14
AT 30 JUNE 2012	- 13,996	- 12,827	- 1,567	- 27,052	- 1,047	-	- 56,488
NET AMOUNT AT 30 JUNE 2012	43,318	8,459	5,122	8,703	415	6,147*	72,163

* Of which €5,476 thousands is in-progress development costs.

8. Property, plant and equipment

€ thousands	Land	Buildings	Plant, machinery and tools	Other	In progress and advance payment	Total
Gross value at 1 January	18,589	126,528	246,843	54,373	17,902	464,235
Additions	–	457	4,281	2,707	10,337	17,782
Disposals	–	–144	–2,920	–836	–	–3,899
Effect of change in foreign exchange rates	4	34	242	374	161	815
Change in scope of consolidation	–	–3	–144	330	–	183
Other movements	1	857	4,862	90	–5,807	3
AT 30 JUNE 2012	18,593	127,729	253,165	57,039	22,593	479,119
Accumulated depreciation at 1 January	–447	–48,936	–164,061	–35,981	–	–249,425
Depreciation charge for the period	–52	–2,659	–8,901	–2,826	–	–14,438
Disposals	–	93	2,472	709	–	3,274
Effect of change in foreign exchange rates	–	–25	–100	–239	–	–364
Change in scope of consolidation	–	4	144	–232	–	–84
Other movements	–	–12	22	2	–	13
AT 30 JUNE 2012	–499	–51,536	–170,423	–38,566	–	–261,024
NET AMOUNT AT 30 JUNE 2012	18,094	76,194	82,742	18,472	22,593	218,095

The net book value of property, plant and equipment relating to changes in group structure was €99 thousand.

9. Equity-accounted companies

€ thousands	30/06/12	31/12/11
Equity-accounted companies at the beginning of the period	115,008	48,625
Change in scope of consolidation and other*	–367	65,096
Share of profit of equity-accounted companies	–567	44
Dividends paid	–308	–186
Changes in foreign exchange rate	–130	41
Charge for impairment**	–2,614	1,388
EQUITY-ACCOUNTED COMPANIES AT THE END OF THE PERIOD	111,022	115,008

* Change of consolidation method for Axis in the first half of 2012 and 47.23% and 40% equity investments in Pellenc Group and STOR'M, respectively, in 2011.

** In 2012: writedown of equity value due to €2.1 million and €0.5 million impairment of CIAT and Oxygen (Astélia), respectively. In 2011: writedown of equity value due to €0.5 million impairment of Oxygen (Astélia) and €1.9 million reversal following the disposal of Firstinnov.

Assumptions used to establish CIAT's business plan have been reviewed downward after indications of impairment were identified, particularly due to difficulties encountered in the first half of the year. At 30 June 2012, impairment of €2.1 million was recognised as a deduction of CIAT's equity value.

The sensitivity of test results to changes in assumptions used to determine the revalued equity value of the CIAT CGU at the end of June 2012, when evaluated independently, is as follows:

- a one percentage point increase in the discount rate would have required the recognition of an additional writedown of €8.0 million of equity value,
- a one percentage point decrease in the discount rate would not have required any writedown of equity value,
- a one percentage point decline in the EBITDA to sales ratio used for the calculation of the terminal value would have required an additional writedown of €0.5 million.

10. Financial assets

€ thousands	30/06/12	31/12/11
Available-for-sale financial assets	132,333	132,200
– Non-consolidated shares	132,278	132,200
– Other	55	–
Bonds*	79,014	76,831
Loans**	6,270	6,801
Other	2,477	3,564
NON-CURRENT AND CURRENT FINANCIAL ASSETS	220,094	219,396
Due within one year	822	1,997
NON-CURRENT FINANCIAL ASSETS	219,272	217,399

* Somfy SA subscribed to a subordinated bond (mezzanine) issued by CIAT with a nominal value of €48.0 million repayable in 2016. Capitalised interest amounted to €17.4 million at 30 June 2012.

Somfy SA also subscribed to a convertible bond and to a standard bond issued by Garen Automação for €10.9 million and €2.3 million, respectively.

** Including a three-year loan granted by Somfy SA to CIAT for a nominal value of €5.0 million. Capitalised interest totalled €0.4 million at 30 June 2012.

Non-consolidated shares notably include a 34% investment in the share capital of FAAC, valued at €128.0 million.

11. Inventories

€ thousands	30/06/12	31/12/11
Gross		
Raw materials and other supplies	58,841	55,000
Finished goods and merchandise	101,160	94,640
Total	160,001	149,640
Provisions	–11,396	–10,736
NET	148,605	138,904

€ thousands	Value 31/12/11	Net charges	Exchange rate movement	Other movements	Value 30/06/12
Inventory provisions	–10,736	–674	–73	87	–11,396

12. Provisions

Non-current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provision for employee liability	Provision for risks and charges	Total 2012
At 1 January	4,083	1,172	934	3,007	9,196
Provision charges	- 28	640	18	910	1,540
Used reversals	-	- 250	-	- 223	- 473
Unused reversals	-	-	-	-	-
Impact of variations in foreign exchange rates	22	-	-	14	35
Other movements	- 18	-	-	-	- 18
AT 30 JUNE 2012	4,058	1,562	952	3,708	10,279

Provisions charges, net of reversals used or unused, have impacted the current operating result by a negative €619 thousand and other operating income and expenses by a negative €448 thousand.

Current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provision for risks and charges	Total 2012
At 1 January	4,546	4,857	1,390	10,794
Provision charges	- 276	170	483	377
Used reversals	-	- 709	- 269	- 978
Unused reversals	-	- 221	- 142	- 363
Impact of variations in foreign exchange rates	18	2	8	28
Other movements	-	3	170	173
AT 30 JUNE 2012	4,288	4,102	1,640	10,031

Provisions charges, net of reversals used or unused, have impacted the current operating result by a positive €829 thousand and other operating income and expenses by a positive €135 thousand.

13. Financial liabilities

€ thousands	30/06/12	31/12/11
Borrowings from credit institutions	140,210	88,570
Lease commitments	20,132	22,318
Other borrowings and financial liabilities*	40,021	50,187
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	200,363	161,075
Due within one year	121,715	84,104
NON-CURRENT FINANCIAL LIABILITIES	78,647	76,972

* Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €39.7 million at 30 June 2012 and €40.3 million at 31 December 2011.

14. Net financial debt

€ thousands	30/06/12	31/12/11
Financial liabilities*	200,363	161,075
Financial assets	74,498	73,519
– Unlisted bonds receivable**	67,691	65,307
– Loans***	6,270	6,801
– Other	537	1,411
Cash and cash equivalents	87,422	71,845
NET FINANCIAL DEBT	38,443	15,711
NET FINANCIAL DEBT BEFORE UNLISTED BONDS RECEIVABLE	106,134	81,018

(–) Net financial surplus

* Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €39.7 million at 30 June 2012 and €40.3 million at 31 December 2011.

** Somfy SA subscribed to a subordinate bond (mezzanine) issued by CIAT with a nominal value of €48.0 million repayable in 2016. Capitalised interest amounted to €17.4 million at 30 June 2012.

Somfy SA also subscribed to conventional bonds issued by Garen Automação for €2.3 million.

Convertible bonds are excluded from the calculation of net financial debt.

*** Including a three-year loan granted by Somfy SA to CIAT with a nominal value of €5.0 million. Capitalised interest totalled €0.4 million at 30 June 2012.

15. Analysis of cash flow statement

15.1 Net cash and cash equivalents

€ thousands	30/06/12	30/06/11	31/12/11
CASH AT THE START OF THE PERIOD	66,002	84,919	84,919
Cash and cash equivalents	71,845	86,993	86,993
Bank overdrafts	– 5,843	– 2,074	– 2,074
CASH AT THE END OF THE PERIOD	82,573	69,727	66,002
Cash and cash equivalents	87,422	73,399	71,845
Bank overdrafts	– 4,849	– 3,672	– 5,843

15.2 Change in working capital requirements

€ thousands	30/06/12	31/12/11
Net decrease/(increase) in inventory	– 7,815	– 17,990
Net decrease/(increase) in trade receivables	– 52,550	– 1,845
Net (decrease)/increase in trade payables	7,427	1,931
Net movement in other receivables and payables	10,660	– 4,955
CHANGE IN WORKING CAPITAL REQUIREMENTS	– 42,277	– 22,859

16. Related parties

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

€ thousands	30/06/12	30/06/11	31/12/11
Sales	1,120	1,195	1,200
Other revenues	218	118	227
Purchase of goods	1,154	881	1,729
Other charges	–	8	7
Interest received	3,107	2,576	5,734
Trade receivables	1,950	2,073	1,937
Trade payables	509	431	357
Borrowings	5,377	5,576	5,593
Accrued interest	37	2,378	49
Bond loans	78,578	71,984	76,411

17. Dividends proposed

The net dividend proposed at the AGM of 15 May 2012 called to approve the 2011 financial statements was €5.20. It was paid on 5 June 2012.

18. Consolidation scope

All companies have a year end of 31 December.

Company name	Head office	% control 30/06/12	% interest 30/06/12	% interest 31/12/11
Somfy SA	74300 Cluses (France)	(parent)	(parent)	(parent)
Fully-consolidated companies				
Somfy SAS	Cluses (France)	100.00	100.00	100.00
CMC EURL	Cluses (France)	100.00	100.00	100.00
Somfybat SNC	Cluses (France)	100.00	100.00	100.00
Domis SA	Rumilly (France)	100.00	100.00	100.00
SITEM SARL	Zaghouan (Tunisia)	100.00	100.00	100.00
SITEM Services	Zaghouan (Tunisia)	100.00	100.00	100.00
Somfy Ltd	Yeadon (UK)	100.00	100.00	100.00
Yorkshire Technology	Bradford (UK)	100.00	100.00	100.00
Kléréo SARL	Montesson (France)	–	–	49.00
Axis Automatismes	Darnetal (France)	100.00	100.00	–
Somfy PTY Ltd	Rydalmere (Australia)	100.00	100.00	100.00
Somfy Automation Services PTY	Rydalmere (Australia)	100.00	100.00	100.00
NV Somfy SA	Zaventem (Belgium)	100.00	100.00	100.00
Somfy Brazil LTDA	Sao Paulo (Brazil)	100.00	100.00	100.00
Somfy Columbia SAS	Bogota (Colombia)	100.00	100.00	100.00
Somfy Chili	Chile	100.00	100.00	–
Somfy GmbH	Rottenburg (Germany)	100.00	100.00	100.00

Company name	Head office	% control 30/06/12	% interest 30/06/12	% interest 31/12/11
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 LLC	Moscow (Russia)	100.00	100.00	100.00
Somfy SIA	Riga (Latvia)	100.00	100.00	100.00
Somfy LLC	Kiev (Ukraine)	100.00	100.00	100.00
Somfy Bulgaria AD	Sofia (Bulgaria)	100.00	100.00	100.00
Somfy Joo	Seoul (Korea)	100.00	100.00	100.00
Somfy Italia SRL	Milan (Italy)	100.00	100.00	100.00
Somfy BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
Somfy Espana SA	Barcelona (Spain)	100.00	100.00	100.00
Automatismos Pujol SL	Barcelona (Spain)	100.00	100.00	100.00
Pujol Redutores de Velocidade LDA	Esmoriz (Portugal)	100.00	100.00	100.00
Sistemi Automatici Pujol SRL	Pavona (Italy)	100.00	100.00	100.00
Somfy Systems Inc.	Cranbury NJ (United States)	100.00	100.00	100.00
Somfy AG	Basserdorf (Switzerland)	100.00	100.00	100.00
Somfy Nordic AB	Limhamn (Sweden)	100.00	100.00	100.00
Somfy PTE Ltd	Singapore	100.00	100.00	100.00
Somfy Taiwan Co Ltd	Taipei (Taiwan)	100.00	100.00	100.00
Dooya China	Ningbo (China)	70.00	70.00	70.00
Somfy Co Ltd	Hong-Kong	100.00	100.00	100.00
Somfy China Co Ltd	Shanghai (China)	100.00	100.00	100.00
LianDa	Zhejiang (China)	95.00	95.00	80.00
Somfy Middle East Co Ltd	Limassol (Cyprus)	100.00	100.00	100.00
Sisa Home Automation 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	Acharnai (Greece)	100.00	100.00	100.00
Somfy Ev Otomasyon Sistemleri Ticaret Ltd Sti	Istanbul (Turkey)	100.00	100.00	100.00
Somfy South Africa (PTY) Limited	Durban (South Africa)	100.00	100.00	100.00
Somfy Mexico SA DE CV	Tlalnepantla (Mexico)	100.00	100.00	100.00
Somfy K.K.	Yokohama (Japan)	100.00	100.00	100.00
Somfy India Pvt Ltd	New Delhi (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	Poway (United States)	100.00	100.00	100.00
Simu SAS	Gray (France)	100.00	100.00	100.00
Simu GmbH	Iserlohn (Germany)	100.00	100.00	100.00
WAY SRL	San Vincenzo (Italy)	100.00	100.00	100.00

Company name	Head office	% control 30/06/12	% interest 30/06/12	% interest 31/12/11
Overkiz SAS	Archamps (France)	80.00	80.00	80.00
SEM-T	Cluses (France)	100.00	100.00	100.00
DSG	Mouscron (Belgium)	100.00	100.00	100.00
TTMD SA	Geneva (Switzerland)	100.00	100.00	100.00
BFT SpA	Schio (Italy)	100.00	100.00	100.00
Automatismes BFT France SAS	Saint-Priest (France)	100.00	100.00	100.00
BFT Group Italiberica de Automatismos SL	Barcelona (Spain)	98.70	98.70	98.70
BFT Torantriebssysteme GmbH	Furth (Germany)	100.00	100.00	100.00
BFT Automation UK Limited	Stockport (UK)	100.00	100.00	100.00
BFT Benelux SA	Nivelles (Belgium)	100.00	100.00	100.00
BFT Adria d.o.o.	Drazice (Croatia)	75.00	75.00	75.00
BFT Polska Sp.zoo	Warsaw (Poland)	100.00	100.00	100.00
SACS SRL	Trento (Italy)	100.00	100.00	100.00
BFT US Inc.	Boca Raton (United States)	100.00	100.00	100.00
BFT Portugal SA	Coimbra (Portugal)	100.00	100.00	100.00
BFT Gates systems Limited	Berkshire (UK)	100.00	100.00	100.00
BFT Languedoc SAS	Nîmes (France)	100.00	100.00	100.00
BFT Sud-Ouest SAS	Toulouse (France)	100.00	100.00	90.00
BFT Australie	Sydney (Australia)	100.00	100.00	100.00
BFT CZ Sro	Prague (Czech Republic)	100.00	100.00	100.00
BFT Piemonte	Dronero (Italy)	90.00	90.00	90.00
BFT France SAS	Marseille (France)	100.00	100.00	100.00
O&O	Corregio (Italy)	90.00	90.00	90.00
O&O France Distribution	Aubagne (France)	100.00	100.00	100.00
BFT Veneto	Schio (Italy)	100.00	100.00	100.00
BFT Autoferm Ouest SARL	Saint-Philbert-de-Grand-Lieu (France)	100.00	100.00	100.00
BFT Anatolia	Istanbul (Turkey)	100.00	100.00	100.00
BFT Grèce	Athens (Greece)	100.00	100.00	100.00
BFT Eire	Dublin (Ireland)	100.00	100.00	100.00
BFT Gulf	Dubai (United Arabic Emirates)	100.00	100.00	100.00
BFT China	Shanghai (China)	100.00	100.00	100.00
BFT Lazio S.r.l.	Rome (Italy)	60.00	60.00	-
TRS Standard S.r.l.	Verona (Italy)	60.00	60.00	-
Cotherm Participation SA	Vinay (France)	65.00	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
Cotherm North America	Warwick (United States)	90.00	58.50	58.50
Cotherm UK	Suffolk (UK)	100.00	65.00	65.00
Cotherm SCI	Ben Arous (Tunisia)	100.00	65.00	65.00
NMP SAS	Cluses (France)	100.00	100.00	100.00

Company name	Head office	% control 30/06/12	% interest 30/06/12	% interest 31/12/11
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 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				
Groupe Gaviota	Sax (Spain)	46.50	46.50	46.50
Groupe CIAT	Culoz (France)	40.00	40.00	40.00
Oxygen SARL (Astélia)	Lyon (France)	40.00	40.00	40.00
Axis Automatismes	Darnetal (France)	–	–	40.00
Groupe Pellenc	Pertuis (France)	47.23	47.23	47.23
STOR'M	Saint Clair de la Tour (France)	40.00	40.00	40.00

19. Post-balance sheet events

In July 2012, **Somfy Activities** acquired 100% of the French distributor **Mastercom** for €0.7 million through its subsidiary BFT SpA. This transaction includes an earn-out clause based on the results of the first two financial years.

In August 2012, **Somfy Activities** acquired 51% of the Brazilian company **Neocontrol** for BRL 6 million (approximately €2.4 million) through its subsidiary Somfy Brazil. This company develops, produces and markets home automation solutions in Brazil. This transaction includes an earn-out clause payable in 2014 based on results for the 2013 financial year. Also included is a first mutual put/call option exercisable in 2014 over 10% of capital and a second option for the remaining 39% exercisable in 2017.

B – HY1 2012 business report

Consolidated data in € millions

	HY1 2012	HY1 2011	% change
Sales	513.9	501.2	+ 2.5
Current operating result	75.4	88.5	- 14.8
Operating result	64.6	84.4	- 23.5
Net profit	44.1	130.2	- 66.1
Restated net profit*	44.1	68.6	- 35.7
Cash flow	77.5	91.9	- 15.6

* Restated net profit does not include the capital gain on the disposal of agta record shares in 2011.

■ Sales

Group sales were €513.9 million for the first six months of the year (+2.5% in real terms and +0.9% on a like-for-like basis).

- **Somfy Activities'** sales came to €455.8 million (+3.1% in real terms and +1.3% on a like-for-like basis). This slight increase, on a like-for-like basis, reflected mixed developments depending on the geographic region.

The trend remained clearly positive in China, Central and Eastern Europe, thanks to the growth in Poland and Russia, and in America, thanks to the resilience of the US and expansion in Brazil and Mexico.

France and Germany proved resilient and ended the first half at a satisfactory level given the prevailing economic climate.

Conversely, Northern and Southern Europe¹ declined as a consequence of the economic crisis and adverse weather conditions.

- **Somfy Participations** achieved sales of €59.7 million, a decline of 1.4% in real terms and 1.7% on a like-for-like basis. The business trends of Cotherm, Sirem and Zurflüh-Feller, the three fully consolidated companies, differed significantly. The first continued on an upward trend while the latter two declined.

The same observation applies to equity-accounted companies, bearing in mind that Pellenc progressed and that CIAT and Gaviota Simbac declined.

■ Results

The Group's current operating result was €75.4 million for the half year, down 14.8%, representing 14.7% of sales.

- **Somfy Activities'** current operating result declined by 14.3% to €71.6 million. The result remained at a high level in this deteriorated economic climate, clearly demonstrating the strength of the business model. The decline was due to last year's capital expenditure rendered necessary by the implementation of the strategy in the home automation and service segments and in high-growth countries. It can also be explained by the effects of the adverse weather conditions on the solar protection season.

- **Somfy Participations'** contribution declined by 22.5% to €3.9 million. It breaks down as €5.8 million (-12.1%) contributed by the fully consolidated companies and a negative €1.9 million for overheads. This drop was largely due to deteriorated market conditions.

Consolidated net profit was €44.1 million, down 66.1%. This included largely negative net non-recurring items due to the impairment of O&O and Pujol's goodwill, a substantially lower net financial income as a consequence of exceptional comparatives (recognition of the capital gain on last year's disposal of agta record during the same period) and a negative contribution of equity-accounted companies, particularly due to the impaired value of the equity holding in CIAT.

Excluding the exceptional income derived from the sales of agta record shares, net profit declined by 35.7%.

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

■ Financial position

The Group had net² financial debt of €38.4 million at the end of June, representing 4.6% of equity. This moderate amount confirms the soundness of the balance sheet.

■ Seasonality

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

■ Highlights

Somfy Activities wrote down the goodwill of O&O and Pujol:

- the outlook for **O&O**, a subsidiary of BFT SpA that produces lifting gates, rising bollards and automated sliding doors has deteriorated compared to the acquisition business plan, due to the macro-economic situation prevailing in Southern Europe, where the company conducts most of its business. The unallocated goodwill was additionally impaired for €2.8 million. It has now been fully written down;
- the outlook for short and medium-term profit growth led to a review of Spanish company **Pujol's** business plan, which has been seriously affected by the deteriorated macro-economic environment prevailing in Southern Europe. The entire unallocated goodwill has been written down for €5.7 million.

Somfy Activities wrote down €0.5 million from the equity value of its 40% investment in **Oxygen (Astélia)**, a company which specialises in alarm systems for the house-bound elderly. This impairment was recognised after indications of a loss in value were noted.

Somfy Participations wrote down €2.1 million from the equity value of **CIAT**. This writedown follows a review of the business plan of the company due to difficulties encountered in the first half of the year.

A tax audit of **Somfy SAS** relating to 2009 and 2010 is in progress.

The financial statements at 30 June 2011 have been restated following the final allocation of the acquisition price of Dooya.

■ Changes in consolidation scope

Somfy Activities acquired:

- the distributor **BFT Lazio**, through its subsidiary BFT SpA. 60% of the capital were acquired at a price of €0.7 million. A mutual put/call option was included in the contract for 2015, in relation to the remaining 40% of the capital. This acquisition generated goodwill of €0.4 million. This company was fully consolidated from the date of acquisition (April 2012) and contributed €0.2 million to Group sales;
- the distributor **TRS Standard**, through its subsidiary BFT SpA. 60% of the capital were acquired at a price of €1.4 million. A mutual put/call option was included in the contract for 2015, in relation to 30% of the capital. The remaining 10% are subject to a deadlock resolution clause. This acquisition generated goodwill of €1.3 million. This company was fully consolidated from the date of acquisition (June 2012) and contributed €0.4 million to Group sales;
- the remaining 10% in **BFT Sud-Ouest**, through its subsidiary BFT SpA, for €0.3 million. This company was already fully consolidated, therefore no change of control took place;
- 15% of **LianDa** for €1.5 million, thus increasing its equity holding to 95%. This company was already fully consolidated, therefore no change of control took place;
- the remaining 60% of **Axis'** capital for €0.9 million. This company was previously equity-accounted. With Somfy assuming control, Axis is now fully consolidated. This change of method generated goodwill of €1.2 million. Axis contributed €0.3 million to Group sales.

Somfy Activities disposed of:

- its subsidiary **Kléréo**. The negative impact on operating result was €1.0 million,
- its subsidiary **Iblind**. The negative impact on operating result was €0.9 million.

2. Net financial debt is defined as financial debt less cash and cash equivalents, including unlisted bonds receivable issued by a number of equity investments and related companies, earn-out on acquisitions and liabilities attached to options granted to minority shareholders in fully-consolidated companies.

■ Outlook

The current environment leads the Group to remain cautious. Consequently, both **Somfy Activities** and **Somfy Participations** will continue with their cost control policy.

The second half of the year will nonetheless benefit from more favourable comparatives than the first half and will reap the rewards of the measures taken.

■ Related parties

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

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

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

■ Somfy SA

For the half year to 30 June 2012, Somfy SA generated sales of €1.5 million. The net financial income was €103.5 million, including €100.4 million in dividends paid by the subsidiaries in respect of their net profit for the year to 31 December 2011.

Net profit was €95.5 million, after taking account of a €1.6 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 net equity position, financial position and financial performance of the company and all companies included in consolidation, and that the half year business report gives a true and fair view of significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions carried out between related parties, as well as a description of the major risks and uncertainties for the remaining six months of the financial year.

Cluses, 24 August 2012

Paul Georges DESPATURE

Chairman of the Management Board of Somfy SA

C – Statutory Auditors’ report on the 2012 interim financial report

To the Shareholders,

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

- a limited review of the accompanying condensed interim consolidated financial statements of the Somfy S.A. company, for the period from 1 January to 30 June 2012;
- a review of information disclosed in the interim business report.

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

1. Opinion on the financial statements

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

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

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

2. Specific verification

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

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

Paris and Lyon, 30 August 2012
The Statutory Auditors

LEDOUBLE S.A.
Agnès Piniot

ERNST & YOUNG et Autres
Sylvain Lauria