

Activity Report

> 2012



Somfy Participations,

Investor in LBOs, expansion capital and transmission capital

1

Faithful to its entrepreneurial values, Somfy Group created its private equity branch in January 2008. The purpose of Somfy Participations is to consolidate the Group's profitable growth strategy through selective, long-term investment in companies that operate outside Somfy's core business.

A long-term investor

Somfy Participations invests in equity and via acquisition debt with a reasonable leverage effect. This means Somfy Participations has no constraints in terms of the duration of its holdings. This ability to invest in the long term is the ideal solution for companies going through transformation or transition, with projects that require stable shareholders. Somfy Participations therefore adapts to companies' lifecycles, prioritizing the creation of optimum conditions for lasting growth. This is why we support companies with medium-term development and build-up projects.

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Tailormade shareholding solutions

Because it has no pre-defined time limits to worry about, Somfy Participations can adapt the scale of its investment to the specific situation of each company. Our shareholdings can be majority or minority, and may change over time.

3

Companies with innovation projects

When choosing its investments, Somfy Participations favors companies with innovation and internationalization projects. We support their strategies actively by providing support and advice.

This partnership is implemented on a daily basis by our team members, who share their experience leading companies through change, either as managers or directors.

If necessary, Somfy Participations can also mobilize Somfy Group networks in other countries.

→ | Shareholdings in seven companies



CUMULATED SALES
OF COMPANIES
IN THE PORTOFOLIO



CUMULATED
HEADCOUNT



CONSOLIDATED SALES



NET ASSET VALUE

👤 | Interview with

Wilfrid Le Naour

CEO of Somfy Participations



How would you assess the results of companies in the portfolio and your role as shareholder in 2012?

All our companies have been affected by the recession in Western Europe. In this context, the major lesson of financial year 2012 is that the companies that have proved to be the most resilient are those which, in past years, have invested in internationalization and innovation. Innovation is inextricably linked to internationalization, because in order to win overseas markets you need to offer something new. By implementing this strategy, Pellenc and FAAC significantly improved their results in 2012. FAAC's example is particularly meaningful in that to counter stagnant growth on its traditional markets of Spain and Italy, the company created a new business two years ago, through acquisitions and investments, in order to focus on R&D. Its development in car park payment systems is now enabling it to deploy its business more rapidly in emerging territories. It is also very satisfying to see that Zurflüh-Feller and Gaviota Simbac have started to reap the rewards of their international expansion this year.

In terms of innovation and internationalization, our role in relation to companies in the portfolio is to let them benefit from our industrial experience by providing support and advice. This supporting role is appreciated by the management teams. The reason the La Buvette Group chose us as a shareholder in 2012 was so that we could help them with their internationalization strategy.

During this difficult year, Somfy Participations also played the role of active shareholder in terms of improving the structure and position of its companies.

“The most resilient companies are the ones that have invested in their internationalization”

They have been able to reduce costs where necessary and, above all, have continued to consolidate their fundamentals. Although the companies varied in terms of profitability, I think they have all made progress in terms of structure.

Somfy Participations didn't perform as well financially as in 2011. Why do you think this is?

First of all, we must keep in mind that 2011 included very substantial capital gains from the disposal of agta record. In 2012 the portfolio actually achieved a performance of nearly 5%. And this, while FAAC was creating a Car Park Systems division through a series of acquisitions representing investments of €115 million. The multiples used for these transactions were higher than those we used to value this holding, and mechanically penalized the net asset value. We are very confident about the solidity of our portfolio, in terms of both the companies' positions and their strategies. In a context where we foresee no improvement in the economic situation for the first half of 2013, our priorities are focused on improving the competitiveness of Sirem and CIAT and, as always, on continuing to actively support all companies with their innovation and internationalization.

» | 2012 HIGHLIGHTS

OCTOBER

Disposal of Cotherm

After six years as a shareholder, Somfy Participations has sold its 65% stake in Cotherm as part of an LBO, in which Somfy Participations contributed 10% alongside Siparex and the directors of the company. The transaction was based on a valuation of €11.0 million for the 65% concerned, which represents 2.3 times the initial acquisition price. Cotherm was no longer consolidated within the Somfy Group as of the fourth quarter of 2012.

DECEMBER

Acquisition of a holding in the La Buvette Group

Somfy Participations has acquired 25% of the French Group La Buvette for an investment of €2.4 million. Completed in partnership with the Siparex Group, this transaction makes the two investors the majority shareholders. The French leader and European joint leader in agricultural watering systems, the Group also produces cattle enclosure equipment and rotational molding materials. In 2012, the La Buvette Group generated sales of €21.2 million, of which nearly 30% was from international activities. Somfy Participations will continue to support the Group's international growth.

DECEMBER

CIAT shareholders' agreement extended until 2016

The CIAT shareholders' agreement, which was due to expire in mid 2013, has been extended until January 1, 2016. At the same time, Somfy Participations acquired 4.5% of additional shares (for €3 million), bringing its shareholding to 44.5% of the capital in CIAT.

Somfy Participations portfolio at December 31st, 2012

Company	Business	Shareholding (%)	First acquisition
CIAT	Equipment for air conditioning, air handling, heat exchangers and renewable energy heating for the residential, commercial and industrial sectors.	44.5%	2008
FAAC	Gate and garage door systems and automatic controls, and car park payment systems.	34%	1990
Gaviota Simbac	Components for rolling shutters and awnings for assemblers and manufacturers.	46.5%	2001
La Buvette Group	Cattle watering and enclosure equipment for the agricultural sector, and rotational molding activities.	25%	2012
Pellenc	Equipment for wine- and olive-growing and for park and garden maintenance.	47.2%	2011
Sirem	Electrical components (motors, pumps, etc.) for milk tanks, swimming pool covers and spa baths. Complete wellness products.	87.5%	2008
Zurflüh-Feller	Components and complete systems for rolling shutters, for manufacturers and distributors.	100%	2008

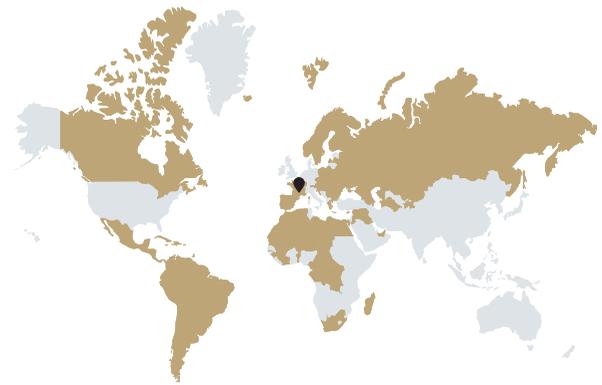
CIAT

In the commercial and residential construction sector, the CIAT Group is one of Europe's leaders in thermal and air quality management for buildings.

€270.6 M SALES

2,177 HEADCOUNT

After a recovery in 2011, the Group's sales (-9.1%) dropped back to their 2010 levels. This decline is mainly due to CIAT's extensive exposure to the French and Spanish construction markets, where the economic situation remains very poor. However, good growth in business in Turkey and Russia offset the decline on traditional markets. The restructuring of the Group's activities combined with cost-cutting measures introduced in 2010 led to an increase in profitability. Between now and 2015, a new plan will generate an additional gain of €10 million in competitiveness. This is based on improving productivity, sales prices



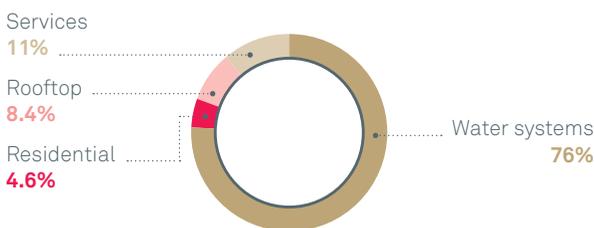
● Countries where products are sold ● Headquarters Culoz (France)

and rationalizing the production and logistics sites. In line with its 2015 strategic plan, CIAT continued to refocus development of its business activities on countries offering good potential for growth in Europe, the Middle East and Africa. This is being applied in four commercial areas:

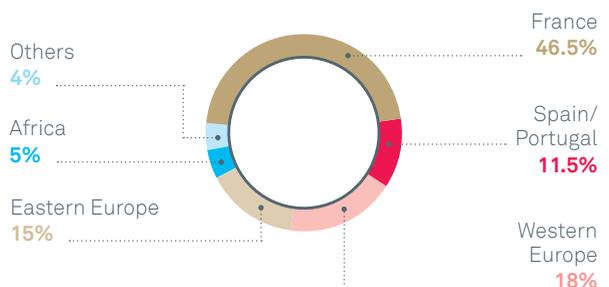
- water-based systems to manage energy and interior air quality,
- the "service" activity (warranty extension, remote service to monitor the energy efficiency for systems, etc.),
- the "rooftop" segment (air conditioning units installed on the roof) for the commercial and industrial sectors,
- the residential market, which remains a strong focus of growth.

To accelerate the implementation of this strategy, €30 million will be invested in product development in 2013 and 2014. As of this year, launch of seven products will sustain the development of CIAT's business activities, particularly internationally, in the hotels, building management, rooftop and residential segments.

Breakdown of sales by product



Breakdown of sales by region



FAAC

FAAC is the leading European manufacturer of automatic systems for gates and garage doors. In the past two years, FAAC has expanded its businesses to include car park payment systems, a market in which the Group is now the third biggest player worldwide.



● Countries where products are sold
 ● Headquarters Bologna (Italy)

€283.5 M SALES

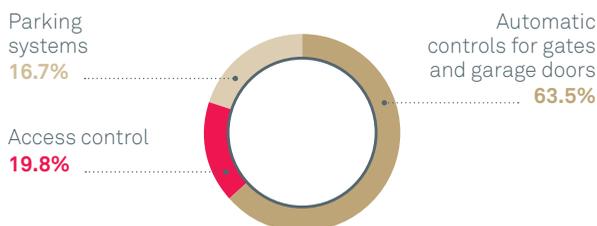
1,432 HEADCOUNT

Faced with sluggish environments on its traditional markets, Europe and the gates sector, FAAC decided to create a Car Park Systems division two years ago. This strategy started to bear fruit in 2012, leading to a significant increase in sales (+32.9%) and profits (+29.9%). Two acquisitions have strengthened this new business: Magnetic and Datapark.

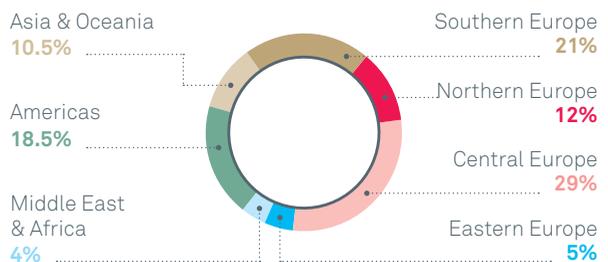
Now as the third biggest player in the car park payment systems sector, FAAC already has strong positions on this market in the United States and in emerging economies. In 2012, the Group invested €115 million in a series of acquisitions that will enable it to accelerate its development in this new business.



Breakdown of sales by product



Breakdown of sales by region



Gaviota Simbac

Gaviota Simbac specializes in the manufacturing of components and motors for rolling shutters and awnings. Committed to its strategy of expanding its business internationally, the company continues to develop its activities.



● Countries where products are sold ● Headquarters Sax (Spain)



On its two key markets (Spain and Italy), business suffered due to the recession. The impact on sales was nonetheless contained thanks to gains in market share. In addition, measures implemented to reduce structural costs and improve productivity helped boost the profitability and competitiveness of Gaviota Simbac in an increasingly competitive context.

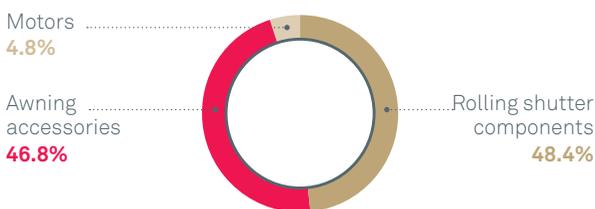
In 2012, the company started to reap the rewards of its internationalization strategy, and the development of business on its emerging markets partly offset the decline in mature territories. In order to build strong foundations for its future growth, most internationalization efforts were focused on the consolidation of ten subsidiaries created in the past three years in South America, Eastern Europe and North Africa. Gaviota Simbac also explored new territories such as Colombia, Algeria and Russia.



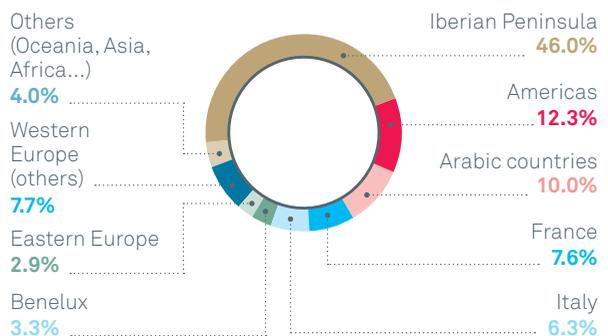
At the same time, the company continued to strengthen its position on the awnings market, particularly by expanding its range of accessories.

On its traditional rolling shutter market, an optimized offer and reinforced commercial presence enabled market share to grow.

Breakdown of sales by product



Breakdown of sales by region



La Buvette Group

La Buvette Group is a holding company with four 100% owned companies operating in the livestock rearing and plastics sectors. La Buvette, its key brand, is the French leader in livestock watering systems.



● Countries where products are sold
● Headquarters Tournes (France)

€21.2 M SALES

122 HEADCOUNT

Positioned on the livestock rearing equipment market, the business of its La Buvette and Satene companies was stable in 2012. In France, where they respectively generated 72% and 95% of their sales, the two companies continued to consolidate their positions. The complementarity of their offers (livestock watering systems for La Buvette and cattle enclosure equipment for Satene) allows for major commercial synergies.

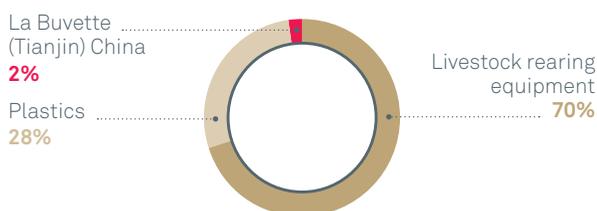


In 2012, the two brands pursued their innovation strategies by marketing equipment to boost the productivity of cattle rearing operations. La Buvette launched a solar-powered watering system that automatically supplies water to fields without an electricity supply. In years to come, innovation will support La Buvette's business internationalization strategy in Western and Eastern Europe. The Group has strong development ambitions on the German market, where it achieved 10% of its sales in 2012.

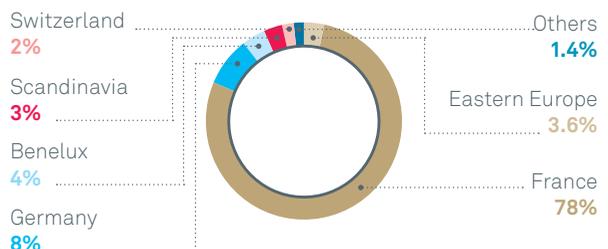
In China, the subsidiary La Buvette Tianjin was established in 2007 to capture the significant growth in dairy cow rearing. This company, which achieved financial balance at the end of 2011, continued to consolidate its business activities.

Positioned on the plastics market, the company Rotoplus was set up in 1987 as a subcontractor to produce plastic tanks for La Buvette. La Buvette now accounts for more than half of its business, and Rotoplus continues to establish a presence on new market segments. The acquisition of a new-generation rotational molding machine will help to speed up implementation of the strategy.

Breakdown of sales by product

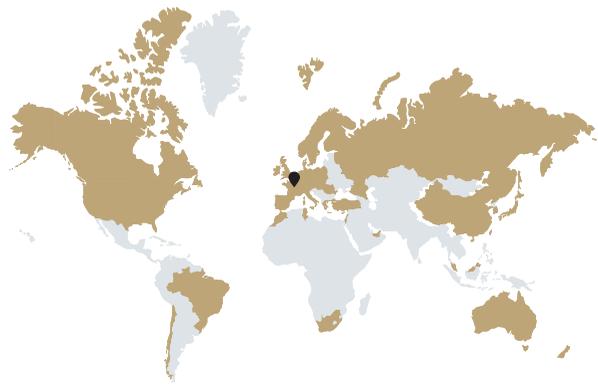


Breakdown of sales by region



Pellenc

A manufacturer of agricultural equipment, the Pellenc Group is the world leader in the wine- and olive-growing sectors. Since 2008, Pellenc has also been producing highly innovative tools for park and garden maintenance.



● Countries where products are sold ● Headquarters Pertuis (France)

€121.0 M SALES

857 HEADCOUNT

In 2012, Pellenc's sales grew by 6%, mainly due to the harvesting and cellar equipment business, particularly in France, the United States and Australia. This expansion confirms the organic growth potential of wine-growing activities. It also reflects the improvement of these sectors in countries in the southern hemisphere, after three difficult years. Meanwhile, the olive-growing industry was affected by poor weather during the harvests in Southern Europe.

With the economic environment remaining poor in Spain and Italy, two important markets for Pellenc, the Group continued to rebalance its activities in geographic terms. In France, Pellenc consolidated its positions in Languedoc-Roussillon through the acquisition of an agricultural equipment distributor.

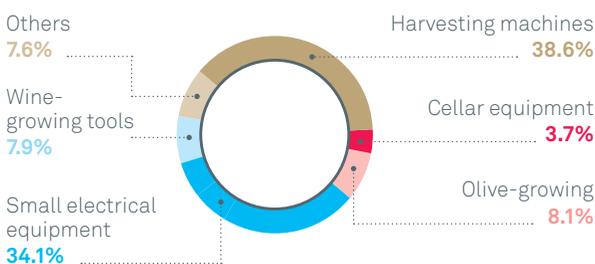
Internationalization strategy has also resulted in the first sales of wine-growing and storage equipment in China. With 10,000 hectares of vines planted every year, China represents an important source of growth.



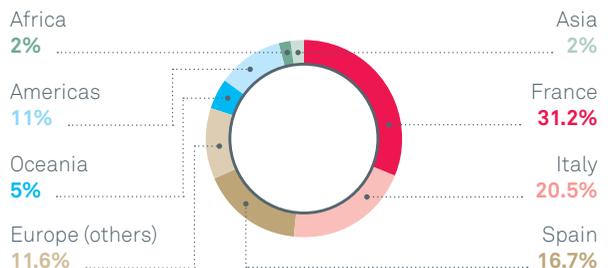
In the park and garden maintenance tools sector, the creation of a subsidiary in Germany will enable Pellenc to speed up its development in the most important park and garden market in Western Europe.

A key driver of the Group's international growth, innovation will continue to support Pellenc's expansion in all of its markets, with an important phase for the launch of new products planned for 2013 and 2014.

Breakdown of sales by product



Breakdown of sales by region



Sirem

A manufacturer of electrical components (motors, pumps, etc.), Sirem is the leader in its sector on the markets for milk tanks, swimming pool covers and spa baths. In the past three years, Sirem has also developed complete products for the wellness sector.



● Countries where products are sold ● Headquarters St-Maurice-de-Beynost (France)

€21.8 M SALES

167 HEADCOUNT

In 2012, global sales were down by 8.4%. However, Sirem, which operates in diverse sectors, experienced contrasting situations in different markets. With its traditional business, the supply of gear motors and pumps for milk tanks, activity stabilized after strong growth in 2011. Following significant development in recent years, sales of motors for swimming pool covers declined by 20%.

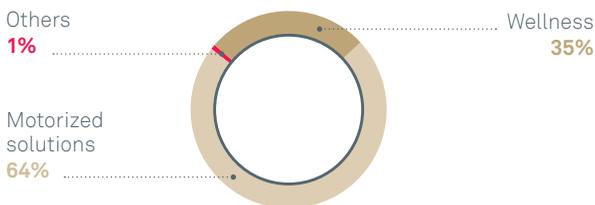


This fall was due to the contraction of the swimming pool market in France, affected by a very wet spring and stock surpluses among distributors. Sirem also sells gear motors for various applications in industry (retail check-outs, logistics, posters) and in construction. On these markets, business was down by 5%.

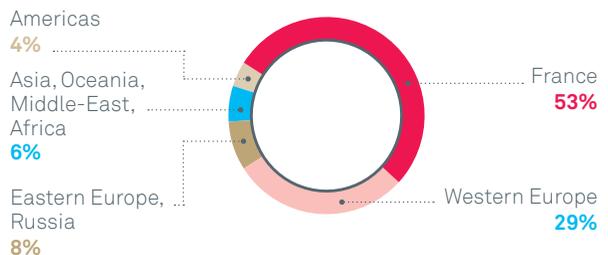
For the past three years, Sirem has invested heavily in new areas of growth in the aqua wellness sector. The company now makes finished products for the spa and aqua fitness markets, and in 2012, these efforts continued to bear fruit, with an 80% increase in business.

In the same year, the profitability of this business declined. Sirem has initiated an internal restructuring program to improve its efficiency and reliability, and in 2013 the business will benefit from the launch of new products, both on the new spa and aqua fitness markets, as well as on traditional segments. Exports make up nearly half of Sirem's sales, and development will continue in high-growth territories (Brazil, Russia, India).

Breakdown of sales by product

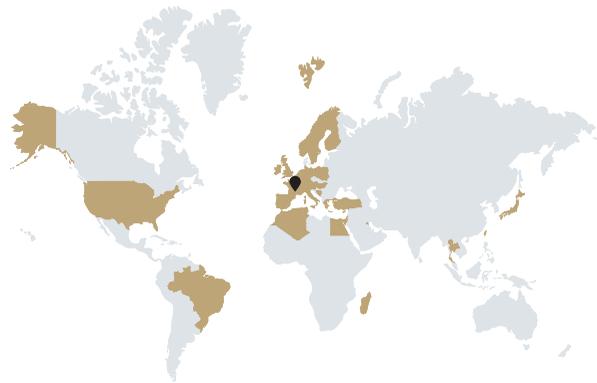


Breakdown of sales by region



Zurflüh-Feller

In France, Zurflüh-Feller is the leading supplier of accessories and systems for manufacturers and distributors of rolling shutters. Its development model is based on the internationalization of its business, and innovation.



● Countries where products are sold ● Headquarters Autechaux Roide (France)

€58.8 M SALES

376 HEADCOUNT

In 2012, the decline in sales (-2.9%) masked very contrasting results between France (-4.8%) and international markets (+20.6%), which now represent 10% of sales. This growth in exports was recorded in Europe (Spain, Portugal, Italy, Germany, etc.) but also in North African countries with the development of new markets.

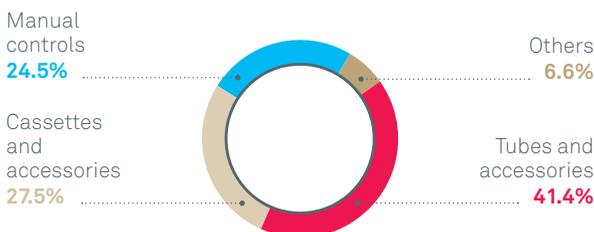
Zurflüh-Feller is moving its offer towards complete systems with strong added value. In 2012, the company developed two innovative heat and light management systems for the home: a rolling shutter with directional slats, and a motorized hinged rolling shutter. Developed to meet the requirements of the new 2012 thermal regulation, these two products will go on sale in 2013. The positive feedback at trade fairs has confirmed their potential. At the same time, Zurflüh-Feller continued to update its range of components, including locks, and expanded its range with accessories for garage doors and an insect screen integrated into the rolling shutter cassette.



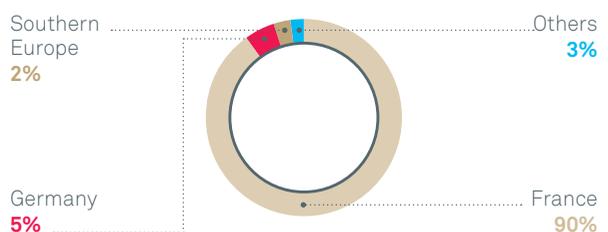
Despite the unfavorable economic environment, the company's profitability improved slightly thanks to controlling costs of raw materials and overheads, and increased productivity. The company continued to improve the performance of its production facilities through major investments (€4.5 million).

In 2013, Zurflüh-Feller will continue to develop its international sales and offer innovative new products, in line with its 2015 strategy.

Breakdown of sales by product



Breakdown of sales by region



Results and indicators

2012 Key figures for Somfy Group

(at December 31st)

Sales

(in € million)



Group sales were €989.6 million for the full financial year just ended, which was an increase of 3.9% compared to the previous year (up 2.7% on a like-for-like basis).

Somfy Activities contributed €889.8 million (up 3.4% on a like-for-like basis). Several geographic regions reported substantial year-end increases driven by buoyant emerging markets. This was the case in America, Central and Eastern Europe and Asia Pacific. Germany and France also performed satisfactorily considering the business environment. Southern and Northern Europe both enjoyed renewed growth during the last months of the year but remained negative over the full year due to the decline recorded at the beginning of the year, which resulted from the economic crisis and adverse weather conditions. Somfy Participations contributed €103.1 million (down 2.3% on a like-for-like basis).

The performance of individual companies varied greatly. Cotherm, which was sold early in October, performed well, while Zurflüh-Feller and Sirem were adversely affected by the economic climate.

Current operating result

(in € million)



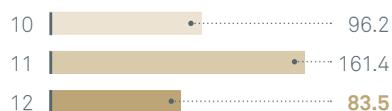
The Group's current operating result was €126.9 million for the financial year, up 1.8%, representing 12.8% of sales. This was €75.4 million in the first half of the year (down 14.8%) and €51.4 million in the second half (up 42.3%).

Somfy Activities' contribution grew 4.0% to €122.9 million. The growth reflected a marked recovery in the second half of the financial year in line with the rebound in sales, which was partly due to favourable comparatives, and steps implemented to increase competitiveness.

Somfy Participations' contribution declined by 38.0% to €4.1 million, resulting from the net profit of fully-consolidated subsidiaries of €7.6 million (down 25.2%) less structure costs of €3.5 million (down 1.6%). This decline was due to the difficulties experienced by Sirem and the deconsolidation of Cotherm in the last quarter.

Net profit

(in € million)



Consolidated net profit was €83.5 million, down 48.2%. This included largely negative non-recurring items, including:

1 goodwill impairment of companies with significant exposure to the markets of Southern Europe, 2 the recognition of restructuring costs for the Italian subsidiary Way srl, 3 the impacts of the deconsolidation of Cotherm, i-Blind and Klereo, 4 the drop in net financial income due to a high baseline (€63.1 million capital gain on the disposal of agta record in 2011), 5 the negative contribution of equity-accounted companies due to the writedown of several equity investments.

Intangible assets and PPE investments

(in € million)



At €42.5 million (compared to €44.9 million in 2011), the level of intangible assets and PPE investments was in line with the implementation of the strategy defined three years ago.

Cash flow

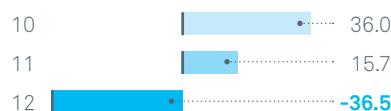
(in € million)



At €150.9 million, cash flow was up slightly, by 1.3%, compared to 2011.

Net financial debt

(in € million)



Net financial debt came to -36.5 million in 2012 (i.e. a net financial surplus) compared to €15.7 million in 2011. This includes unlisted bonds receivable issued by a number of related investments or entities and earn-out on acquisitions and liabilities attached to options granted to minority shareholders in fully-consolidated companies.

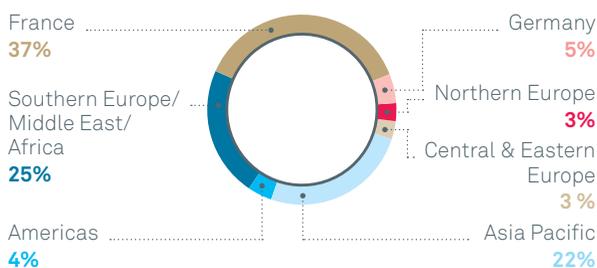
Sales by geographic region

(in € million)	31/12/2012	31/12/2011	Y/Y-1 change	Y/Y-1 change like-for-like basis
France	244.4	240.6	1.6%	1.5%
Germany	139.0	131.6	5.6%	4.8%
Northern Europe	89.6	90.8	-1.3%	-3.6%
Central and Eastern Europe	82.1	73.9	11.2%	9.8%
Southern Europe, Middle East & Africa	161.0	158.4	1.7%	-0.1%
Asia Pacific	89.9	76.7	17.1%	7.5%
Americas	83.8	70.6	18.6%	12.4%
Somfy Activities	889.8	842.8	5.6%	3.4%
Somfy Participations	103.1	112.5	-8.4%	-2.3%
Intragroup sales	-3.3	-2.8	14.8%	14.8%
Somfy consolidated	989.6	952.4	3.9%	2.7%

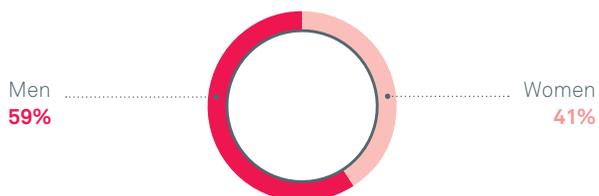
Headcount



Headcount by region



Headcount by men/women



Headcount by age group



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