



ACTIVITY **REPORT**  
2014

**SOMFY** 

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# 01

## OUR COMBINED STRENGTH



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# 02

## OUR STRATEGY




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# OUR SHARED VALUES ARE A MEASURE OF SUCCESS

 **Jean Guillaume Despature**  
Reference family shareholder in Somfy SA



In January 2015 I replaced Paul Georges Despature as the reference family shareholder in Somfy SA. I am delighted and extremely proud to take up these new responsibilities in a Group that has never stopped leading and reinventing its market since Somfy was founded more than 40 years ago.

## ENSURING SOMFY CONTINUES TO DEVELOP

In 2014, Somfy SA experienced two important events. First, the splitting from Somfy Participations, which is now a company in its own right, called Edify. Somfy is now refocusing on its core business, the industry of openings for homes and buildings, and will continue to do so. Second, the resulting change in Somfy SA's Management Board, with the appointment of Jean-Philippe Demaël, CEO of Somfy, as Chairman. He is joined by two new members: Pierre Ribeiro, Chief Financial Officer of Somfy, and myself. All three of us, with the support of other governance bodies – Somfy's general management, Executive Committee and Supervisory Board – will work hard to ensure Somfy continues to develop. Our development model, which is based on anticipation, growth, independence and the harmonious coordination of our global and local organizations, remains absolutely key to the way we operate. Furthermore, our principles of governance, which have proved effective since 1984, remain the same: while contributing to the daily functioning of the business, the family shareholders – whom I represent – have no operational role in the way Somfy conducts its activities. This role is played by the general management, who have all the resources they need to implement their strategy and achieve their objectives. This way of functioning guarantees a strong alignment between shareholders and management, enabling decisions to be taken very quickly. Because of this, we see only benefits in continuing along this path.

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**“WITH THE DIGITAL  
REVOLUTION, SOMFY  
HAS ENTERED A  
WATERSHED DECADE.  
I WANT TO BE A CATALYST,  
TO ENSURE ALL OUR  
STRENGTHS ARE AT THE  
REQUIRED LEVEL.”**

# /THE SOMFY GROUP

**7,700**  
EMPLOYEES



## SOMFY REMAINS THE SAME; OUR ENVIRONMENT IS EVOLVING

Although Somfy remains the same, our whole environment continues to evolve around us. We have therefore decided that 2015 is the right time for us to restate our vision, ambitions and values. Ultimately, we want to reassert our identity as an innovative, international and upmarket industrial Group that is proud to embody the values of its new visual identity. These character traits are both complementary and inseparable, and they have shaped the way we are today. They are what makes us strong and resilient, and they must continue to guide our actions in the future. The values we share – respect, openness, boldness, proximity – are essential if we are to maintain our performance in a context of increasingly rapid change in Somfy's business and technological environment.

## TOWARDS THE ALL-CONNECTED HOME

Somfy has entered a decade that marks a watershed in its history. Driven by the current digital revolution, all businesses must now acquire new strategies to improve their service to customers to take into account mobility, big data and the Internet of Things. This is even more true in industry, which is the first step in the production of connected objects, and in the home, which will gradually move towards an all-connected environment. In 10 years' time, it is very likely that all the motors we sell will be connected. While the future holds much promise, it also brings uncertainty. As services take over from products, the biggest risk is that the added value of our industry declines as new players come in. However, I am confident and calm about the future, because thanks to our bold approach, Somfy has been a front runner and, even 10 years ago, was anticipating the trend towards connected objects.

## ENRICHING OUR BUSINESS MODELS AND PRIORITIZING OUR GOALS

The winners of the future will without doubt be yesterday's leaders who have adopted all the latest connected and IT tools to create new benefits at every level in the value chain. In this context, I see two challenges for Somfy. The first is to capitalize on connected objects to continue to enrich our business models. The second is to prioritize our goals in the light of the growing importance of connected objects in end-users' daily lives, as well as for installers and resellers. With this in mind, I envisage my role as being that of a catalyst, to ensure all Somfy's strengths are at the required level to meet our challenges.

**2**  
BUSINESS ACTIVITIES



- Home & Building
- Access
- + Home Automation

**59**  
COUNTRIES



**5**  
FIELDS OF APPLICATION



- Awnings & shutters (roller shutters, folding arm awnings, solar screens, etc.)
- Interior solutions (solar protection, curtains, projection screens, etc.)
- Access management (gates, garage doors, barriers, bollards, etc.)
- Security (alarms, videodoorphones, cameras)
- Home automation

**11**  
COMMERCIAL BRANDS



**+10**  
DISTRIBUTION CHANNELS



Installers, manufacturers, assemblers, large DIY stores, online stores, electricians, system integrations, specifiers for engineers, architects, etc.

**76**  
DISTRIBUTION SUBSIDIARIES



**2**  
MARKETS



- Residential
- Commercial

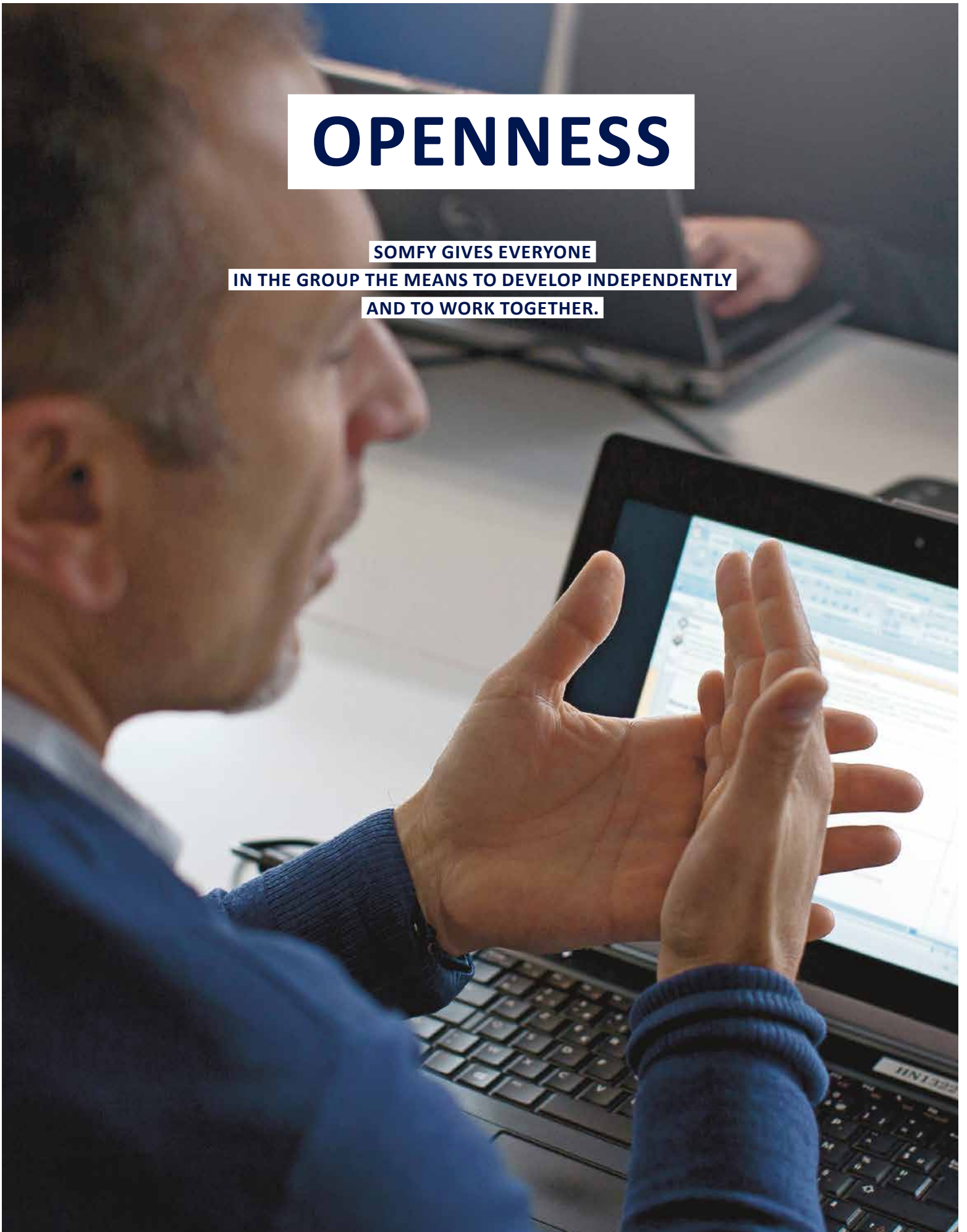
# RESPECT

EMPLOYEES OF THE SOMFY GROUP ENGAGE  
ON A DAILY BASIS TO MEET THE NEEDS OF ALL INTERNAL  
AND EXTERNAL STAKEHOLDERS  
AS PART OF A VOLUNTARY POLICY OF SOCIAL  
AND ENVIRONMENTAL RESPONSIBILITY.



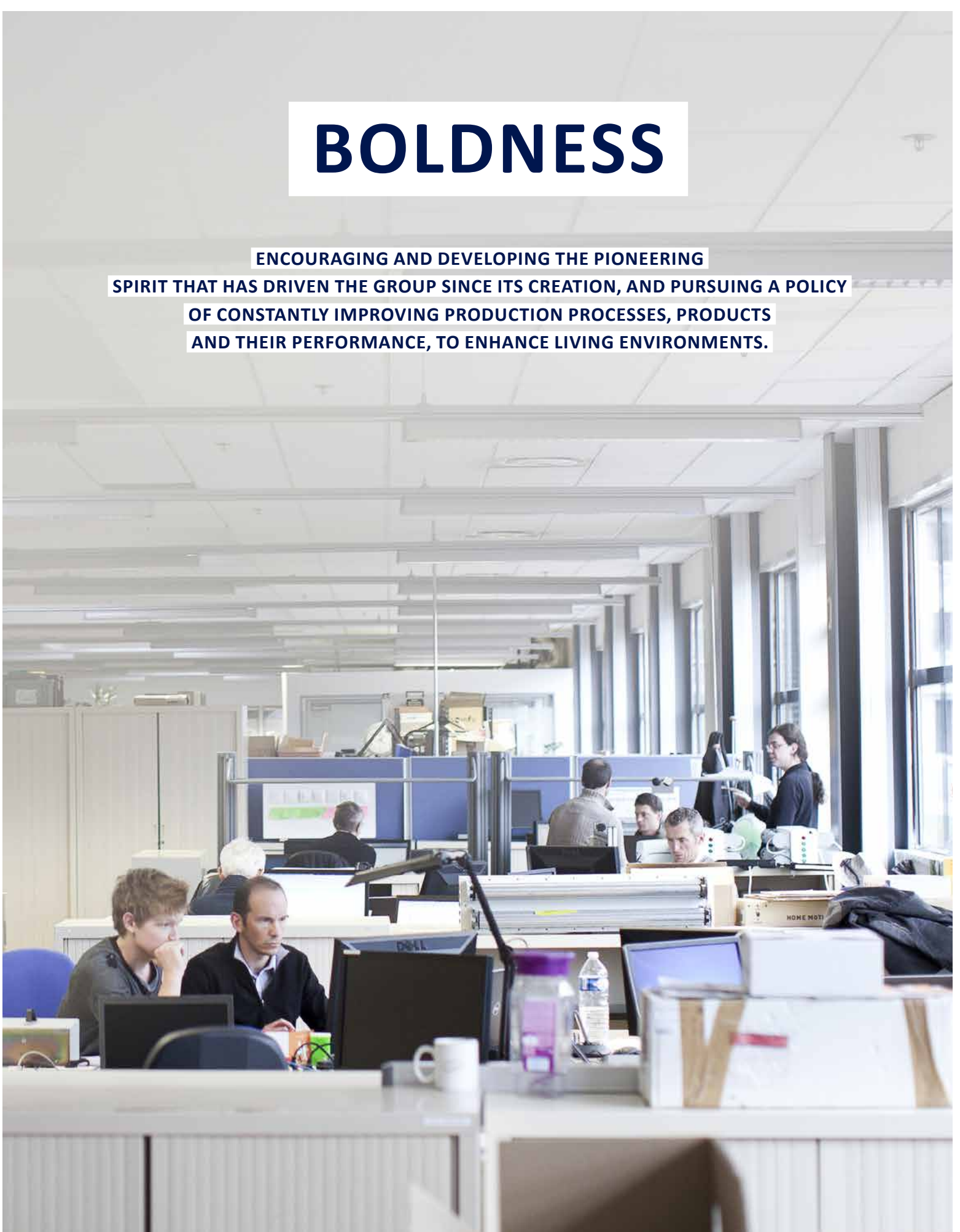
# OPENNESS

SOMFY GIVES EVERYONE  
IN THE GROUP THE MEANS TO DEVELOP INDEPENDENTLY  
AND TO WORK TOGETHER.



# BOLDNESS

ENCOURAGING AND DEVELOPING THE PIONEERING SPIRIT THAT HAS DRIVEN THE GROUP SINCE ITS CREATION, AND PURSUING A POLICY OF CONSTANTLY IMPROVING PRODUCTION PROCESSES, PRODUCTS AND THEIR PERFORMANCE, TO ENHANCE LIVING ENVIRONMENTS.





# PROXIMITY

SOMFY'S EMPLOYEES WORK HARD  
TO MAINTAIN CLOSE RELATIONS WITHIN THE GROUP  
AND EXTERNALLY, AND TO REMAIN ATTENTIVE  
TO THE EXPECTATIONS OF ITS STAKEHOLDERS,  
INCLUDING CUSTOMERS, PARTNERS AND LOCAL COMMUNITIES.



# “OUR GLOBAL PERFORMANCE COMES FROM THE COORDINATION OF ALL OUR STRENGTHS”

JEAN-PHILIPPE DEMAËL  
CEO OF SOMFY, CHAIRMAN OF  
THE MANAGEMENT BOARD OF SOMFY SA

**IN 2014, SOMFY'S ACTIVITY GREW BY 4.8% LIKE FOR LIKE, IN A GENERALLY DIFFICULT GLOBAL MARKET. WHAT FACTORS DROVE GROWTH?**

**JPD** - One of our great sources of satisfaction is that all three of our strategic segments generated growth: rolling shutters and awnings (+1.4%), interior products (+4.1%) and Access (+4.4%). Although our traditional market, rolling shutters, suffered from the slowdown of our business in France (-2.1%), as in previous years, our two other segments played a very strong role. In terms of the regions, there were some pleasant surprises and some less pleasant ones. Positive news came from Southern and Northern Europe which, after a very difficult period since 2008, returned to strong growth, up 6.1% and 8.4%, respectively. In Spain, a market that has been particularly hard hit, our strategy to win back market share finally paid off. On the other hand, in France and most emerging countries, particularly China and Brazil, our activity slowed down due to the economic situation. Happily, Germany (+5.8%), Central and Eastern Europe (+14.2%) and the Middle East (+14.3%) maintained their momentum. I would therefore say that, clearly, the geographical rebalancing of our activity and the coordination of all our strengths are what have driven our overall performance. Compared to other players in its sector, Somfy comes out as one of the leading companies best placed to capitalize on local opportunities.

**FOR THE FIRST TIME IN A LONG TIME, SOMFY HAS POSTED A 2.1% DECLINE IN FRANCE. IS THIS A REASON TO BE CONCERNED?**

**JPD** - No. Of course, we are closely monitoring the development of the construction market, which fell by 3.97% last year, but our strategy is working. Since 2011, in France, we have gradually been expanding our offer, led by growth in

the connected home market. In 2014, all indicators showed that this market is taking off: sales of our home automation products continued to grow (+37.5%) and they reached an important milestone in terms of adoption by our network of traditional installers, the Somfy Experts. The wave of innovation presented to the market at the beginning of 2015 will further sustain and consolidate our growth and the expansion of our offer in the next few years. This will affect our motorization ranges as well as our connected home products. We are convinced that, in an economic downturn, innovation plays a key role in terms of differentiation and success.

**IN 2015, SOMFY WILL LAUNCH THE SALE OF SEVERAL GROUNDBREAKING PRODUCTS. WHAT ARE THE CHALLENGES FOR THE GROUP?**

**JPD** - The wave of new products launched at the R+T fair in Stuttgart in February 2015 is the culmination of several years of research and development, so that is already a massive source of pride for our teams. Especially as feedback from our key accounts is very positive. These innovations cover all of our strategic segments. This means the commercial challenge is great. On the rolling shutter market, for example, the Smart & Smooth motor is a groundbreaking product that is designed to gradually replace our previous generation of motorization solutions. In time, this will affect a third of the volume of motors we produce. On the interior products segment, the new ultra-silent motors will allow Somfy to strengthen its positions in upmarket buildings, with worldwide potential. For Access, innovation will support our development in all trade distribution channels. And for the connected home, we will continue to improve TaHoma®, for which we have major ambitions in the home automation sector. We have also extended our range with a more affordable product that will accelerate the deployment of the connected home among end-users.

**WITH THE INTERNET OF THINGS AND THE CONNECTIVITY OF EQUIPMENT, YOUR MARKET IS CURRENTLY EXPERIENCING GREAT CHANGE. WHAT ARE YOUR STRENGTHS THAT WILL CEMENT YOUR LONG-TERM POSITION AS LEADER IN THE CONNECTED HOME?**

**JPD** - The connectivity of home equipment is a rapidly expanding market on which Somfy positioned itself, with good timing, in 2010. Today, this market rightfully attracts enormous interest from players outside the home environment. In this context, our greatest strength is our network of trade customers: manufacturers, installers and the networks of home automation specialists we are currently putting in place. In Europe, Somfy is also the leader in the connected home sector among trade channels. Our second strength is the whole ecosystem of interoperable equipment we have built up in recent years: all of the Somfy applications, of course – gates, alarms, lighting, etc. – but also other aspects of the home through our partnerships with 18 major brands to date. This has enabled TaHoma® to become known as the most universal solution on the market. Lastly – and this is an asset we are constantly consolidating – the reputation of our brand is an essential factor in our development on this emerging market. In addition, we naturally take into account the rapid change on this market, in particular the formation of major global technological alliances around the Internet of Things. Our goal is clearly to be part of this in order to be able to interface our solutions with all these ecosystems. Somfy joining the Management Committee of the Thread group\*, at the beginning of 2015, is just the first step.

\* Thread is a wireless communications protocol designed specifically for the Internet of Things. This initiative – led by a group of manufacturers that now numbers 75 members – was launched in July 2014 by seven companies: Yale Security, Silicon Labs, Samsung Electronics, Nest Labs, Freescale® Semiconductor, Big Ass Fans and ARM.

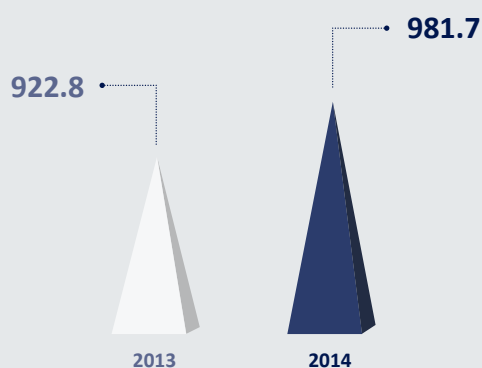


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**“SOMFY HAS POSITIONED ITSELF  
ON THE CONNECTED HOME MARKET  
AT THE RIGHT TIME.”**

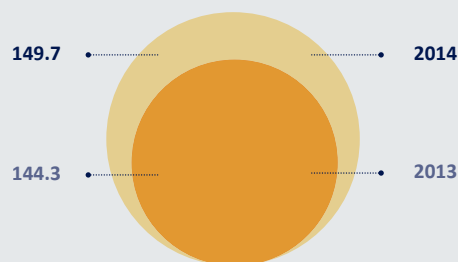
# /SOLID RESULTS AND INCREASED PROFITABILITY

**SALES**  
(IN € MILLION)



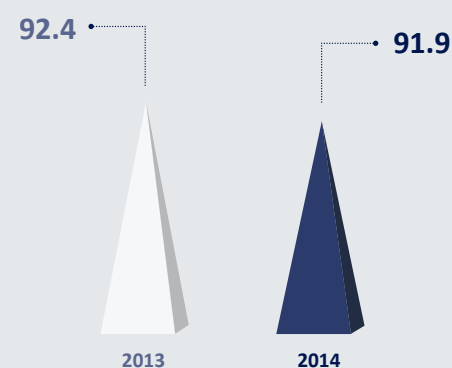
GROUP SALES AMOUNTED TO €981.7 MILLION FOR THE FINANCIAL YEAR JUST ENDED, AN INCREASE OF 6.4% ON A RESTATED BASIS AND 4.8% ON A LIKE-FOR-LIKE BASIS.

**CURRENT OPERATING PROFIT**  
(IN € MILLION)



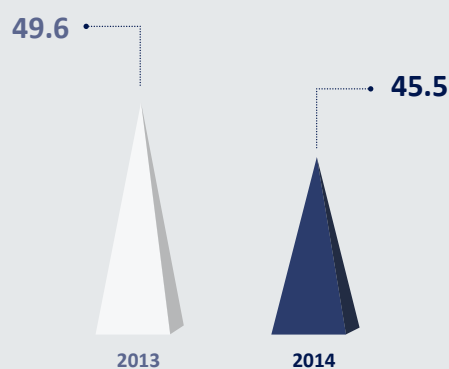
THE GROUP'S CURRENT OPERATING RESULT WAS €149.7 MILLION FOR THE FINANCIAL YEAR, AN INCREASE OF 3.7% ON A RESTATED BASIS, AND REPRESENTED 15.3% OF SALES.

**NET PROFIT**  
(IN € MILLION)



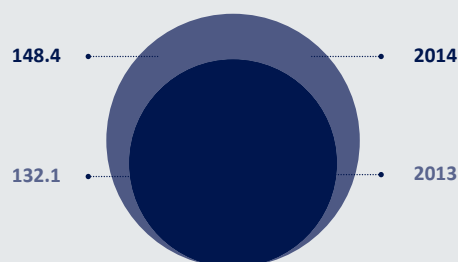
NET PROFIT OF CONTINUING OPERATIONS REMAINED STABLE AT €91.9 MILLION. THIS WAS ADVERSELY IMPACTED BY A NON-RECURRING OPERATIONAL EXPENSE OF €23.9 MILLION, CORRESPONDING TO GOODWILL IMPAIRMENT.

**INVESTMENTS  
(INTANGIBLE + TANGIBLE)**  
(IN € MILLION)



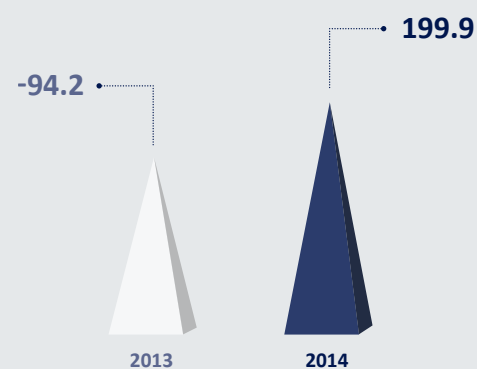
AT €45.5 MILLION (COMPARED TO €49.6 MILLION IN 2013), THE LEVEL OF TANGIBLE AND INTANGIBLE INVESTMENTS WAS IN LINE WITH THE IMPLEMENTATION OF THE DEFINED STRATEGY.

**CASH FLOW FROM OPERATING  
ACTIVITIES**  
(IN € MILLION)



CASH FLOW TOTALLED €148.4 MILLION, UP 12.3% COMPARED TO THE RESTATED AMOUNT FOR 2013.

**NET FINANCIAL DEBT**  
(IN € MILLION)



THE NET CASH SURPLUS OF €94.2 MILLION TURNED INTO NET FINANCIAL DEBT OF €199.9 MILLION, OR €120.5 MILLION AFTER DEDUCTING THE DEBENTURE LOAN GRANTED TO CIAT.

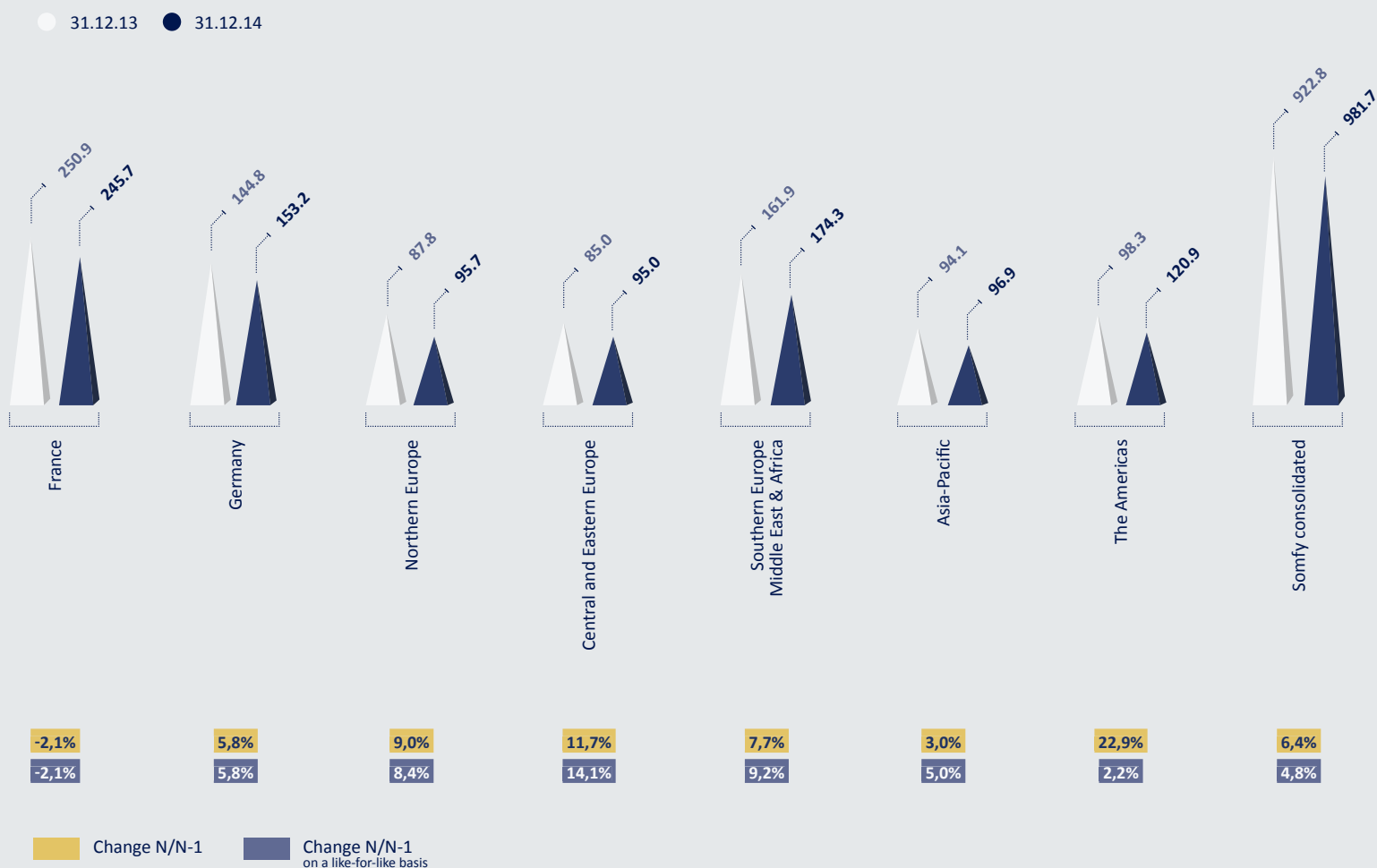
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“THE GEOGRAPHICAL REBALANCING OF  
OUR ACTIVITY AND THE COMPLEMENTARITY  
OF OUR BRANDS WERE KEY FACTORS IN OUR  
PERFORMANCE IN 2014.”

 **Pierre Ribeiro**  
Chief Executive Officer responsible for Finance



## SALES BY REGION (IN € MILLION)





# /SOMFY IS MORE INTERNATIONAL EVERY YEAR

# 7,700

EMPLOYEES

2014

## HEADCOUNT BY AGE GROUP



## HEADCOUNT BY GENDER



HEADCOUNT BY REGION



# OUR ACTIVITY IN 2014

## Sales up 9.2% and 8.4% IN 2014

### SOUTHERN EUROPE AND NORTHERN EUROPE SUBSIDIARIES RECOVER GROWTH

Having faced a downturn on solar protection, their traditional market, for the past five years, due to the economic crisis and unfavorable weather conditions, these territories have continued their recovery initiated the previous year. This performance proves the effectiveness of Somfy's strategy in mature European countries: to expand its activities (access, connected home, interior solutions), diversify its distribution channels, and create added value through innovation. In Spain, Somfy's activity significantly outperformed the market, with sales up 17% despite the construction sector struggling to recover from the bursting of the property bubble in 2008.



## 2014 A YEAR OF INNOVATION

### OUR BRANDS AFFIRM THEIR LEADERSHIP IN INNOVATION

Motorization, controls, sensors, connectivity solutions for home equipment and more: 2014 was a year of innovation for all of the Group's brands. They had to be ready by February 2015, in order to present all their new products to trade customers at R+T Stuttgart. Somfy, along with Asa, Automatismos Pujol, BFT, Dooya, Mingardi and Simu, take part in the world's biggest event dedicated to rolling shutters, access and solar protection.



## 300,000 PIECES OF EQUIPMENT CONNECTED

### TAHOMA® IS THE MOST WIDELY SOLD CONNECTED HOME SOLUTION IN EUROPE

In 2014, TaHoma®, the home automation solution launched by Somfy four years ago, reached a milestone with some 100,000 new pieces of equipment connected. This makes it the most widely sold connected home solution among trade channels in Europe. This covers 12 countries including France, Germany and Benelux. With its sensors fitted to electrical equipment by Somfy and 16 partner brands, TaHoma® now leads most types of home equipment (openings, lighting, heating, locks, cameras, air conditioning, boilers, etc.). Satisfaction among end-users (88% of those questioned in 2014) and the ongoing deployment of TaHoma® in new territories are keys to the acceleration of its commercial success. In 2015, TaHoma® will expand beyond Europe, with launches planned for India, Lebanon, Israel and Morocco.



## EDIFY

### SOMFY PARTICIPATIONS GOES IT ALONE AND BECOMES EDIFY

Since 2008, Somfy SA had been structured as two branches: Somfy Activities, the Group's core business, and Somfy Participations, its investment arm. In November 2014, attendees at Somfy's annual general meeting voted to separate them by creating a distinct company for Somfy Participations, under the name Edify. Somfy Activities went back to being called Somfy. There were two reasons behind this decision: to cement the private equity role of Edify, which is a success, in the long term by separating the industrial and financial activities, and to enable the two companies to enjoy better visibility on their respective markets. From December 19, 2014, Edify has been listed on the Luxembourg stock exchange's Euro MTF market. Its portfolio comprises seven companies representing pro forma sales of over €300 million.



## NEW LOGO

### THE SOMFY GROUP ACQUIRES A NEW IDENTITY

From the small precision mechanics company established in 1960 at the foot of Mont Blanc to the international multi-brand group of today, Somfy has forged an exemplary path. To unite its people and brands around shared values, and to attract new talent and support its policy of expansion, Somfy needed to reassert its identity as an international and innovative industrial group. This was realized at the beginning of 2015 with the launch of a new visual identity. In the new logotype, the name Somfy appears in capitals to underline its status. Consisting of two contrasting sides that balance each other, the Somfy monogram – an S – refers to the complementarity of the Group's activities and the innovative spirit that drives it. The colors copper and midnight blue symbolize the ambition shared by all the brands: to improve the living environment, day and night.



## 600,000 MOTORS A YEAR

### SOMFY OPENS A NEW FACTORY IN POLAND

In January 2014, the Group launched production at its Polish factory, Sopem, located near Krakow. This new site employs 150 people and its current production capacity stands at around 600,000 motors a year. Sopem continues to develop in line with the market. Its purpose is to support Somfy's growth in Eastern and Central Europe (sales up 14.1% in 2014) and help the Group become more competitive in product categories mainly sold in this region. The start-up of Sopem mobilized investments of €20 million.



## 80 TOP MANAGERS TRAINED IN TWO YEARS

### THE NEW-GENERATION MANAGEMENT CULTURE IS IN PLACE

Factors such as the internationalization of activities, the creation of new markets, and the faster pace of innovation mean that at every level of the Group's organization (management, activities, distribution subsidiaries), its 170 senior executives must know how to support change at Somfy in their different fields, and pass on this dynamism to their teams, while sharing goals. That is the aim of the Management & Leadership training program launched at the beginning of 2013, with two objectives: to create a common management language and culture, and to give priority to cooperation between the Group's entities as well as within project teams. By the beginning of 2016, all senior executives will have followed the training program, which takes place over nine months.



## 25 CHARITABLE PROJECTS FUNDED

### THE SOMFY FOUNDATION HITS ITS TARGET FOR CROWD-FUNDING

You. Us. All Internet users who are familiar with the problem of poor housing conditions in France: at the end of 2013, the Somfy Foundation appealed to everyone by launching the first corporate sponsorship initiative based on the principle of crowd funding. One year later, [www.lespetitespierres.org](http://www.lespetitespierres.org) has already funded 25 charitable projects by raising more than €250,000 through 872 donations. The projects are all being carried out by charities, NGOs and other community, non-profit organizations. Les Petites Pierres matches every euro donated. While it has got off to a promising start, the charity does not intend to stop there: it wants to get other sponsors involved in its community efforts. The aim is to fund around 100 social housing projects over the next five years.



# 01

## / OUR COMBINED STRENGTH

### INNOVATION

P20-P23

### PROXIMITY WITH OUR TERRITORIES AND CUSTOMERS

P24-P25

### PROXIMITY WITH CONSUMERS

P26-P27

### RESPONSIBILITIES

P28-P31







# A SHARED VISION TO CREATE THE CONDITIONS FOR A BETTER LIVING ENVIRONMENT ACCESSIBLE TO ALL

THE ESSENTIAL NEED TO OPTIMIZE LIVING ENVIRONMENTS  
WILL BE MET THROUGH INNOVATIVE TECHNOLOGICAL SOLUTIONS.  
THESE SOLUTIONS ARE DESIGNED TO ACHIEVE GENUINE PROGRESS  
IN TERMS OF QUALITY OF LIFE, IN THREE INTERCONNECTING AREAS:

- THE SECURITY OF PEOPLE AND PROPERTY,
- WELLBEING FOR EVERYONE AT ALL AGES,
- CONTROLLING CONSUMPTION  
AND PROTECTING THE ENVIRONMENT.

EVERY EMPLOYEE IN THE SOMFY GROUP, WITHIN EACH OF OUR ENTITIES,  
IS COMMITTED TO MAKING THESE INNOVATIONS ACCESSIBLE  
TO AS MANY PEOPLE AS POSSIBLE.

IN 60 COUNTRIES ACROSS FIVE CONTINENTS,  
WE ADAPT TO THE DEMANDS AND SPECIFIC CHARACTERISTICS  
OF EACH OF OUR MARKETS,  
REFLECTING THE VALUES SHARED BY EVERYONE IN OUR GROUP:

- BOLDNESS IN TERMS OF DESIGN AND INNOVATION,
- RESPECT FOR ALL OUR STAKEHOLDERS,  
FOR DIVERSITY AND OUR ENVIRONMENT,
- OPENNESS TO OTHERS – INTERNALLY AND EXTERNALLY  
– AND TO THE OPPORTUNITIES FOR DEVELOPMENT IN OUR BUSINESS,  
DRAWING STRENGTH FROM INTERNATIONAL DIVERSITY  
AND NEW GENERATIONS.
- PROXIMITY WITH ALL OUR CUSTOMERS,  
PARTNERS AND THE LOCAL COMMUNITY,  
BY ALWAYS BEING AVAILABLE TO THEM.

BECAUSE EVERYONE, WHEREVER SOMFY AND ITS BRANDS OPERATE,  
ASPIRES TO IMPROVE THEIR HOME AND PROFESSIONAL ENVIRONMENT,  
FOR THEMSELVES AND THOSE AROUND THEM, AT EVERY STAGE IN THEIR LIFE.  
SOMFY. INSPIRING A BETTER WAY OF LIVING ACCESSIBLE TO ALL.

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EACH OF  
OUR BRANDS  
CONTRIBUTES...

SOMFY<sup>®</sup>

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somfy<sup>®</sup>



# / REASSERTING OUR TECHNOLOGICAL LEADERSHIP

## / SMART & SMOOTH MOTOR



01

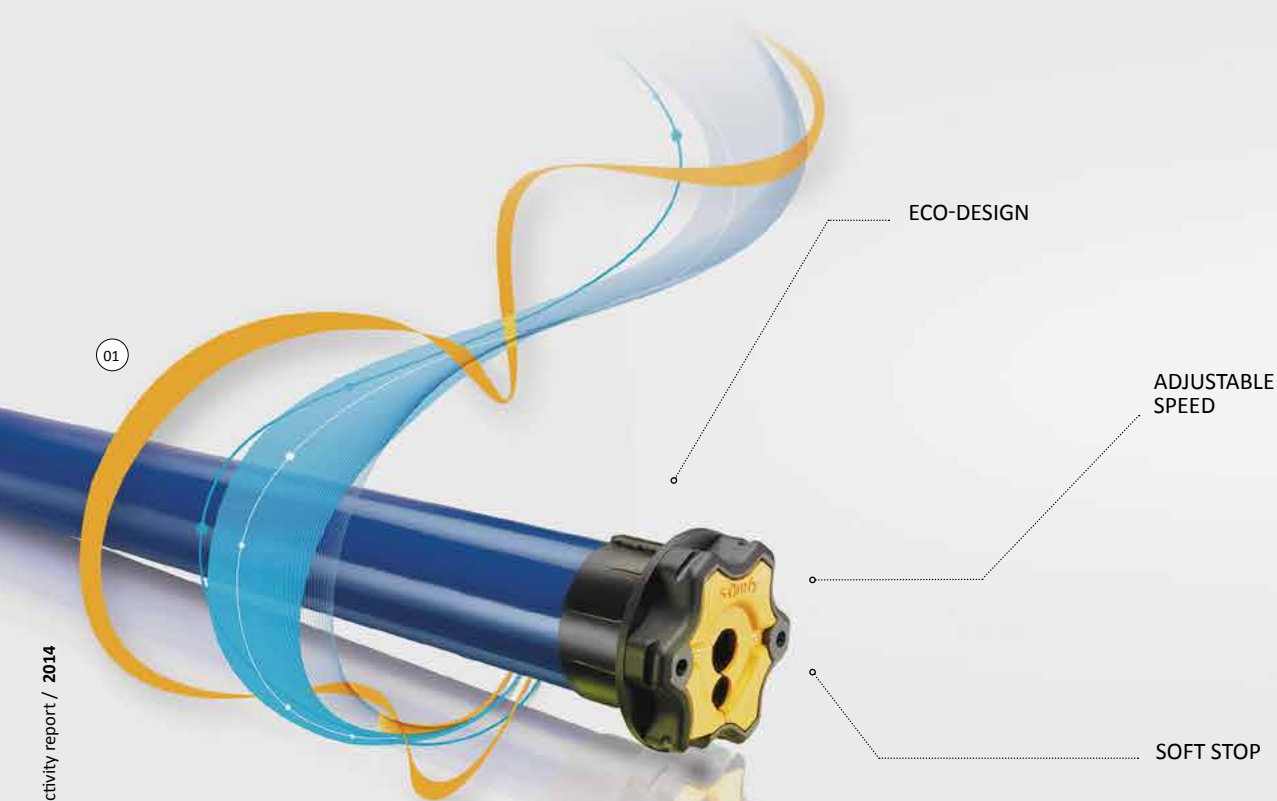
**"A CONCENTRATION OF INTELLIGENCE"**

JEAN-PASCAL REY, DIRECTOR OF THE HOME & BUILDING ACTIVITY

40

PATENTS FILED

**"With the Smart & Smooth motor, Somfy has reinvented rolling shutter motorization.** A concentration of intelligence, it marks a technological leap in the field of tubular motors. Our ultimate ambition is to make it the new standard in motorization. First and foremost, Smart & Smooth is the first fully connected tubular motor: like all our new ranges, it is compatible with our connected house solution, TaHoma®. However, its great innovation is that it incorporates settings options and remote management, designed for our manufacturer and installer customers. Also new is its smooth movement and acoustic comfort. It is one of our first products to have been designed in accordance with our new eco-design principles. In summary, Smart & Smooth represents our vision of innovation: offering new benefits for all."



## /TAHOMA® 2.0 APPLICATION

02

### THE WHOLE HOUSE BECOMES CONNECTED

Five years ago Somfy launched TaHoma®, its connected home solution that controls all equipment in the house from any location using an app on a smartphone, tablet or computer. Increasingly customizable and easy to use, thanks to new functionalities, this new version of the app can supervise an even larger ecosystem of connected objects. Today, TaHoma® covers around 100 pieces of Somfy equipment and 16 partner brands.

## /CONNEXOON APPLICATION

03

### THE SMARTPHONE BECOMES A REMOTE CONTROL

Connected to a small box linked to the ADSL box, Connexoon is a clever smartphone app for anyone looking for an easy introduction to the connected home. It swings into action as soon as the first piece of equipment is installed (up to five), allowing you to control a garage door or check if the shutters are properly closed via a smartphone. Using the phone's geolocation service, the gate will open automatically as the vehicle approaches, the entrance lights will come on and the alarm will be deactivated.





## /SONESSE ULTRA 50

04

### THE QUIETEST INTERIOR BLIND MOTOR ON THE MARKET

The Ultra 50 is the latest motor in the Sonesse range, which in the space of a few years has become the motorization standard for interior blinds in residential and commercial buildings (offices, hotels). It features new innovations and patented technologies that absorb the sound and vibrations of the motor.

ULTRA SILENT

POWERFUL

## /ANIMEO IP SOLUTIONS

05

### CENTRALIZED MANAGEMENT OF SOLAR PROTECTIONS ON BUILDINGS

Animeo IP is a small revolution in commercial buildings: its IP (Internet protocol) control means that all solar protections can be operated centrally using a single control point such as a computer. Thanks to the solar sensors, blinds are always in the right position. In addition, equipment can be managed flexibly, by individual window, by groups of motors, or by façade. And room occupants can override the automatic controls at any time. Animeo IP is available in a wired (RS485) or wireless (io) version.

COMFORT

PRODUCTIVITY

## /REMOTE CONTROLS

06

### INNOVATING THROUGH DESIGN AND ERGONOMICS

In 2015, Somfy updated its range of control points to offer new functionalities, a digital screen and comfort in the hand. Nina is the first remote control that operates entirely by touch screen to manage all equipment in the home and create lifestyle scenarios. Supplied with five interchangeable shells, it adapts to all types of interior. The range of wall-mounted controls has also been completely redesigned.



COMFORTABLE

ELEGANT



# WORKING EVER MORE CLOSELY WITH TERRITORIES AND CUSTOMERS TO ACCELERATE THE SPREAD OF INNOVATION



## APPLICATIONS

### ADAPTING OUR OFFER TO MEET A WIDE RANGE OF NEEDS

Roller shutters in France and Japan, venetian blinds in Eastern Europe, interior blinds in the United States, curtains in the Arabian Peninsula and Asia... Buildings and lifestyles change from region to region around the world. But everywhere, their occupants share the same expectations of comfort. This is why Somfy deploys its people in 59 countries, in order to understand local needs. Monitoring the changing markets, Somfy's people adapt the Group's products, activate its portfolio of complementary brands and innovate in cooperation with their customers. Working directly with architects and engineers, the Commercial Projects entities specify bespoke solutions for each building, taking into account the constraints of the local climatic environment. This offers the benefits of energy savings and visual comfort for occupants. In 2014, Somfy opened its first R&D center in China to ensure it continues to innovate in tune with the world's biggest curtain motorization market.



## SKILLS

### GIVING CUSTOMERS THE RESOURCES THEY NEED TO ADOPT INNOVATION

Technological developments require ongoing training for our trade customers, in areas such as sales, technical knowledge and specifying to architects. This expertise must be promoted to end-users. For example, in 2014, in Germany and Benelux, Somfy formed a new network of installers qualified to sell io products (based on the home automation communications protocol) and connected home products. Accelerating the spread of innovation also means making work easier for professionals in the construction industry. In 2015, the launch of the "100% connected" motor, Smart & Smooth, was accompanied by two applications that make it easier for manufacturers to define the settings in the factory and for installers to control them remotely. And with the new remote control, Nina, installers can configure the installation quickly and easily, using the intuitive and guided interface. In the near future, thanks to the home automation platform TaHoma®, connected equipment will be diagnosed remotely, for an even faster, more efficient service.



## DISTRIBUTION

### EXPANDING THE SALE OF OUR PRODUCTS

In each country, and on both of its markets – residential and commercial – Somfy works with professionals who are best placed to accelerate the deployment of innovation: manufacturers, assemblers, installers, specifiers, interior designers, joiners and integrators. Because technologies are changing, our family of partners expands every year to include new areas of expertise. To support the development of the connected home, Somfy France put in place a network of home automation specialists three years ago, and began working with electricians. And for the first time, this year the subsidiary invited all the trades and professions to its major annual customer conference. The message was strong: by working together, we can generate business. In the connected home and commercial projects markets, Somfy forms commercial and technical partnerships with leading construction brands. For example, with Philips Lighting, Somfy has created a combined offer to manage natural and artificial light. The aim is to pool our strengths.

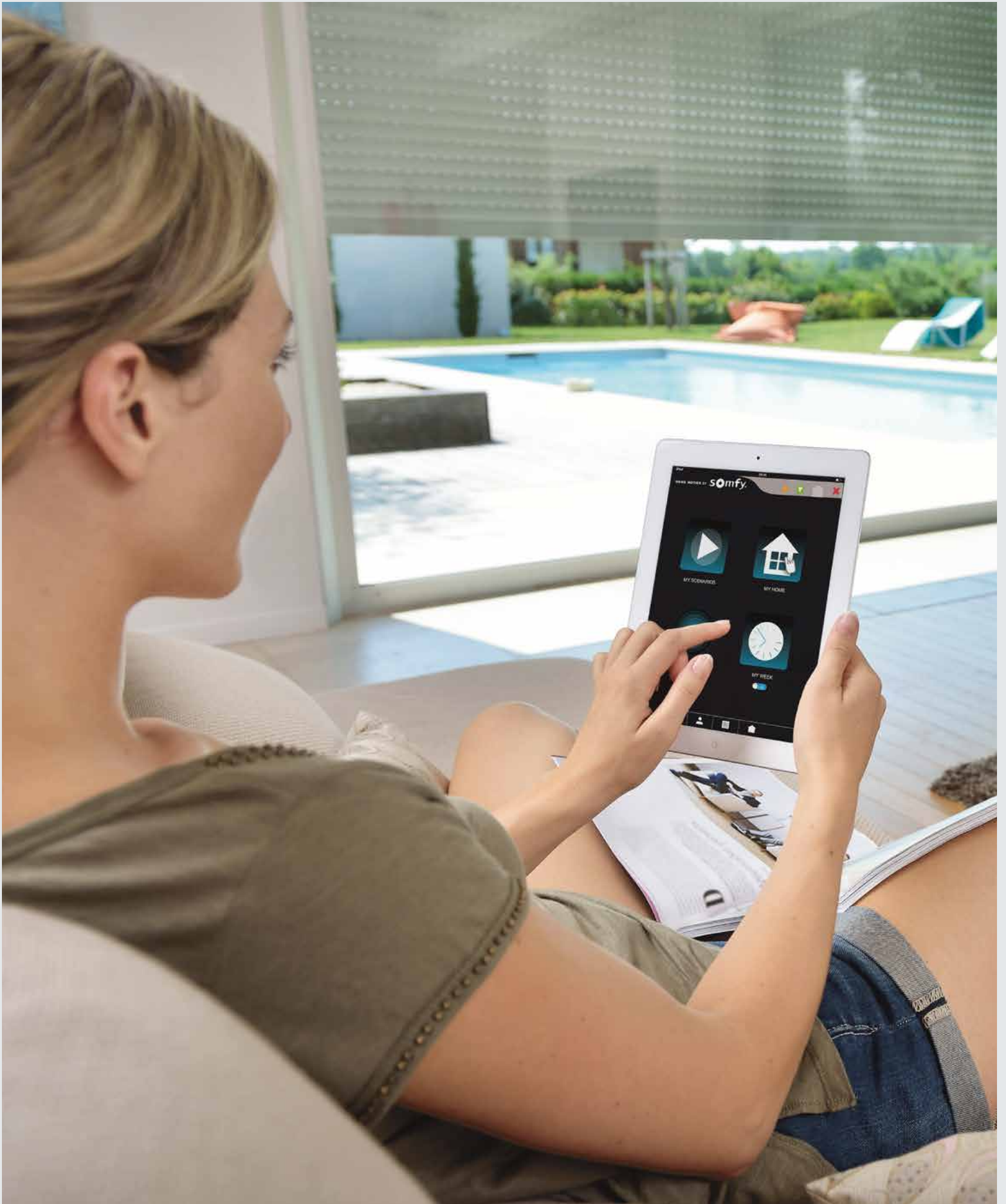


## TECHNOLOGY

### BUILDING BRIDGES BETWEEN WIRELESS COMMUNICATION PROTOCOLS

Radio waves and wireless communications protocols such as Wi-Fi are governed by standards and access regulations that differ from country to country. For example, io-homecontrol, Somfy's bi-directional communication system, is only available in Europe. In order to overcome this constraint, the Group creates bridges between the different standards around the world. For example, in the United States, the brand has just launched My Link, a mini box that allows RTS radio applications to communicate with the Wi-Fi protocol. Also in the field of the connected home, in 2014 Somfy took an important step by joining the industrial grouping, Thread. Created by seven businesses including Nest, a subsidiary of Google, Thread is a new wireless communication protocol that aims to be universal. Its eventual ambition is to compete with standards such as Wi-Fi and Bluetooth. Let us also remember that TaHoma®, Somfy's home automation platform, is compatible with five communication protocols: io, RTS, Z-Wave, EnOcean, and the Honeywell Protocol. And also that this connected home solution works with 17 leading international brands for the home.







# / LISTENING INCREASINGLY CLOSELY TO CONSUMERS FOR USEFUL, EVOLVING INNOVATIONS



## CUSTOMER RELATIONS

### COMMUNICATING MORE CLOSELY WITH CONSUMERS USING DIGITAL TOOLS

Moving from a product offer to more sophisticated solutions has highlighted the need to inform consumers. And in return, the need for Somfy to “enter into conversation” with end-users to get to know them better. Moving quickly to digitalize its customer relations, Somfy France has created a complete information source on its website to support consumers both before and after sales. Need a quote for equipment? Somfy’s team can specify the project and appoint a partner installer. Got a technical question? The answer is likely to be already provided on the Somfy forum, or in videos covering recurrent issues. Want help fixing something at home? Users can get in touch with the network of Somfy Assistance technicians and receive a diagnostics report within 72 hours. In 2014, these services proved very popular: 235,000 hits on YouTube for the most popular video, 50,000 visitors to Somfy’s online forum every month, and 2.5 million unique visitors to the Somfy website, somfy.fr.



## MARKETING AND R&D

### GETTING TO KNOW PEOPLE’S CHANGING NEEDS BETTER

The current wave of innovation reflects Somfy’s ability to fulfill consumers’ expectations in terms of usage, functionalities and ergonomics. In 2014 the Marketing and R&D teams further consolidated their approach of listening to end-users. The Home & Building Activity deployed an international consumer focus program for all its key applications: interior blinds in the United States, roller shutters in France, curtains in China and so on. This involves visiting residents to understand their view of products and identify their purchasing preferences. On the emerging market of the connected home, the Group carries out an annual satisfaction survey of buyers on its home automation platform TaHoma®. This provides a highly informative measure of evolving end-user profiles and expected benefits. In future, the spread of applications connected to the Internet will lead to even greater knowledge of consumers.



## DISTRIBUTION

### OFFERING A MULTI-CHANNEL EXPERIENCE

The spread of mobile terminals has increased the need for instant responses, as well as the use of several distribution channels during the purchasing process. End-users of our products now want to be able to do their research online, then go to the store to compare products, before buying the simplest products in a click. Then use the service of specialists for the most sophisticated equipment. That is why, in addition to its network of professional installers, who remain the Group’s core business, Somfy operates online stores and in some countries is expanding its presence in large DIY stores, with a different kind of offer. Since 2014, its range of alarms has been available in 81 outlets of a large chain in Belgium and the Netherlands. And in France, the Access offer for the connected home is displayed on nearly half a kilometer of shelving with several DIY retailers. The experience of the past few years shows that this visibility in large stores is a strong factor in boosting sales among the network of installers. It also demonstrates that the move towards an increasingly multi-channel distribution system benefits the whole distribution network.



## ADVERTISING

### A STRONG BRAND IS A POPULAR BRAND

Somfy launched its first advertising campaign on French TV in 1987. Since then, its advertising to the general public has continued to grow. Every year, the brand appears on the small screen in around 15 countries, in Europe, as well as in Turkey, Morocco and Israel. In Lebanon and Saudi Arabia, prompted awareness of the Somfy brand is even higher than in France! It stands at 88% and 79% respectively, compared to a “small” 73% in its original market. Communications have even opened up in new areas, such as the sponsorship of the French biathlon team since 2005, and support for athletes such as the Olympic champion Martin Fourcade. In Spain, when the real estate bubble burst in 2008, followed by the brutal downturn of the market, Somfy proved much more resilient than lesser known brands. The stronger and more appreciated a brand is, the more influential and popular it becomes.

# /LISTENING TO EMPLOYEES SO THAT WE ACHIEVE OUR GOALS, TOGETHER

## CHANGING MANAGEMENT CULTURE

For the past five years, Somfy has been implementing a strategy of internalizing and expanding its activities, which requires closer collaboration between its teams as well as greater responsibility and alignment around shared objectives. The Group's human resources policy supports this development in three areas: skills development, engagement, and managing performance. Because change must be led by managers, in 2013 Somfy launched a powerful program to change its management culture. The aim is to align senior executives within a common framework. By the beginning of 2016, the Group's 170 managers will have followed a training program taking place over nine months. In 2014 this process resulted in a positive change in engagement among the Group's employees, measured by the biennial survey, Somfyscope. The global engagement level rose three points since 2012, with a notable increase in areas of improvement identified by the previous survey: cooperation, opportunities for professional development, and rewarding performance.

## IDENTIFYING AND DEVELOPING TALENTS WHEREVER THEY ARE

The business of the future is being prepared today. That is why, in 2014, Somfy accelerated its efforts to make better use of internal skills and attract new talent. To fill key posts, notably those related to the implementation of the new Access activity organization, the HR teams formalized a process to identify employees capable of taking on new responsibilities within the Group. Major efforts were made to support mobility.

To prepare the development of Somfy's activities in China and Brazil, Somfy complemented its recruitment system with a student integration program, named Young People. The aim is to enable young Brazilian and Chinese graduates from business and engineering schools to complete their final internship at the head office in Cluses (France) and with various subsidiaries. The internship covers two projects of nine months, which allows them to become familiar with the Group culture. The aim is for these future recruits to be fully operational by the time they start their job in their home country.



## MANAGING PERFORMANCE

In 2013, a system of managing shared targets was introduced to ensure the coherent deployment of high-stake targets in the various Group entities. In 2014, the system was complemented by a thorough overhaul of the annual appraisal, which now takes into account the issue of cooperation between teams, and includes common skills indicators. In addition to managing performance, the new annual appraisal is designed to provide better support for employees' career progression. Launched as a pilot version in France in 2014, the approach will be rolled out throughout the Group.

## CAREER PROGRESSION, A PRIORITY



In 2014, 142 employees in the Group's French entity benefited from personalized support with their internal and external career progression plan. 38 have already transferred to a new position within the Group, while three have opted to create their own business. Meanwhile, the Careers Fair, held at Cluses, ended on a positive note: 250 employees took part in the day dedicated to production, the final stage in the overview of the four activity categories at Somfy.



**79%**

(3,800) OF THE GROUP'S EMPLOYEES  
RESPONDED TO THE SOMFYSCOPE ENGAGE-  
MENT SURVEY.

**1 in 2 posts**

WERE FILLED INTERNALLY IN 2014



## SOCIAL POLICY, IMPROVING PROFESSIONAL ENGAGEMENT AND PERFORMANCE

In France, Somfy continued to enhance its set of social policy measures. Here is an overview of the key actions taken in 2014:

### ➔ Remuneration

The Group has introduced a complementary pension plan for executives and equivalent. Also, all employees can now opt in to the pension savings plan, or "Perco", which allows them to build up capital. Somfy SAS has also adopted a new internal pay scale, with a minimum that is above union approved salaries. This measure extends to executive equivalents. A major project to classify occupations is currently underway, which will eventually lead to certain occupations having their coefficient re-evaluated.

### ➔ Consideration of psychosocial risks

Somfy has exceeded its regulatory obligations by developing its own methodology. A steering committee for psychosocial risks has been formed, while several initiatives have been put in place to improve the quality of life in the workplace. A vigilance network has been introduced so that every employee has someone to turn to in case of difficulty. The company has also created training and stress-awareness days for managers and employees. In 2014, 296 people took part.

### ➔ Leading social dialog

At the beginning of 2015, a framework agreement was signed with employee representatives on social dialog. The aim is to simplify the process and make it more flexible.

# /REDUCING THE IMPACT OF OUR ACTIVITIES

## ACT FOR GREEN: SOMFY COMMITS TO ECO-DESIGNED PRODUCTS

The 2012 Bilan Carbone\*\* made eco-designed products a priority in terms of reducing the Group's environmental footprint. This has now been achieved: in 2014, the Somfy brand launched the Act for Green label, which certifies that eco-design criteria have been incorporated into product specifications. These criteria are aimed at improving our practices in three areas: reducing greenhouse gases, using products with low toxicity for health and the environment, and a declaration of environment impacts in line with the PEP ecopassport\*\*\* scheme to which Somfy has signed up. The eco-design approach adopted by Somfy reduces the environmental impact of its products throughout their lifecycle, from the extraction of raw materials to end-of-life, including manufacture, usage and transport. Three products presented to the market at the 2015 R+T fair in Stuttgart already hold this label: the Smart & Smooth motor, the Smooove automatic control, and the Situo io remote control. The aim is to gradually extend the eco-design approach to all of Somfy's new products.

In Italy, BFT has adopted an eco-design approach, whose priorities are the electrical consumption of products, packaging, and recyclable oils.

In 2014, an initial range of products received a PEP ecopassport\*\*\* declaration of environmental impact: the Animeo motor controllers (MoCo) which are used to manage motorized systems in commercial buildings.

## FACTORIES AND SUBSIDIARIES ACCELERATE THE DEPLOYMENT OF ECO-PRACTICES IN DAILY LIFE

In 2014, the Way (Italy), BFT (Italy) and SITEM (Tunisia) factories adopted new environmental measures such as the reduction and recycling of waste in production zones, the collection of waste for recycling, and the measurement of energy savings. At SITEM, around 50 employees got involved through working groups and training. In Germany, Somfy's subsidiary trained its production staff on waste recycling. And in the United States, Somfy Systems installed light sensors to control the use of lighting.

\* The 2012 Bilan Carbone® was carried out at Somfy SAS in France.

\*\* PEP ecopassport® is a program developed by the electricity industry that defines a standard method for environmental declarations in line with international regulations (ISO 14025 & ISO 14040s).



## ACT FOR GREEN: A FIVE PART ECO-DESIGN APPROACH

- ➔ Reduced electricity consumption of products
- ➔ Raw materials that respect health and the environment
- ➔ Electronic components with a low environmental impact
- ➔ Optimized product durability
- ➔ Packaging made from recycled materials

### 3

**PRODUCTS BEARING THE ACT FOR GREEN LABEL**  
(SMART & SMOOTH MOTOR, SMOOVE AUTOMATIC CONTROL, SITUO IO REMOTE CONTROL)

### 35

**ECO-AMBASSADORS TO COMMUNICATE OUR ENVIRONMENTAL ENGAGEMENT TO EMPLOYEES**



# /SOMFY FOUNDATION: UNITED AROUND A COMMUNITY PROJECT

## A NECESSITY: IMPROVING HOUSING CONDITIONS

Created in 2004, the Somfy Foundation has for the past four years been focusing on fighting poor housing conditions. It has two themes: encouraging access to decent housing, and developing social connections through housing. In 2014, the Foundation extended its partnership with the Emmaüs France movement for the fourth year. It has a particular affinity with this charity, founded 60 years ago, which fights for unconditional support and innovative initiatives to counter all types of exclusion. This year, the Foundation is offering funding for the renovation of four Emmaüs community centers. As in previous years, the aim is to involve Somfy's employees in the work of Emmaüs France through the program Un Temps pour les Autres (Make Time for Others). Many volunteers have supported the charity by sponsoring skills, taking part in action days to raise money, and organizing gatherings. Launched in 2012 in the Somfy group's French entity, Un Temps pour les Autres allows any employee who wishes to dedicate one work day per year to the charity. In 2014, 81 employees took part in 38 action days.



## LES PETITES PIERRES.ORG: A GENEROUS RESPONSE

The Foundation's crowd-funding site celebrated its first anniversary in 2014. Anyone can donate, and the organization funds charitable projects in all areas of housing needs: access to decent housing, emergency measures, creation of social connections, and community spaces for people in need of support in their day-to-day lives. The first results are very encouraging: the 1,000 donations received have funded 26 projects at a total cost of €250,000. However, Les Petites Pierres.org, which matches every euro donated, wants to go further in future by getting other sponsors involved in community projects.

As the first crowd-funding platform launched to respond to housing problems, Les Petites Pierres.org received a social innovation prize from Admi-c, a charity that brings together sponsors in France.



## A HOUSE IS A HOME: FIRST INTERNATIONAL CAMPAIGN IN BRAZIL

In 2015, the Somfy Foundation went international with its new housing program, A House is a Home. It signed a partnership agreement with Habitat for Humanity, an international NGO. The first joint initiative is the renovation, each month, of a house for single-parent families in Heliópolis, Brazil. The choice of Brazil reflects the Foundation's wish to invest in territories where Somfy has recently begun operating.

€400k

SOMFY FOUNDATION  
BUDGET IN 2014

34

CO-FINANCED HOUSING  
AND COMMUNITY  
CENTER PROJECTS





# 02 / OUR STRATEGY

## MATURE MARKETS

P36-P39

## ACCESS

P40-P43

## CONNECTED HOME

P44-P47

## INTERNATIONAL DEVELOPMENT

P48-P51







# /OUR STRATEGIC DIRECTIONS

MATURE MARKETS

P.36

IN EUROPE, WE ARE CONSOLIDATING OUR POSITIONS ON THE SEGMENT FOR MOTORIZING AND AUTOMATING AWNINGS AND ROLLING SHUTTERS

INNOVATION

EXPANDING OUR ACTIVITIES

DIVERSIFYING OUR DISTRIBUTION CANALS

ACCESS

P.40

WE ARE MAKING THIS ACTIVITY THE SECOND CORE DRIVER OF THE GROUP'S GROWTH

TERRITORIAL ROLL-OUT

DOOR & GATE

SECURITY

P.44

## ↓ CONNECTED HOME

BECOMING THE LEADER IN OUR OFFER CATEGORY



TAHOMA®,  
UNIVERSAL INTERFACE



“THE” CHOICE  
FOR PROFESSIONALS



...AND THE RESIDENTIAL  
INDUSTRY

P.48

## ↓ INTERNATIONAL DEVELOPMENT

ACCELERATING OUR DEPLOYMENT IN STRONG  
GROWTH COUNTRIES

LOCAL INNOVATION



NEW BUSINESS  
MODEL



VALUE-ADDED  
SOLUTIONS





# /MATURE MARKETS

**IN EUROPE, WE ARE CONSOLIDATING OUR POSITIONS ON THE SEGMENT FOR MOTORIZING AND AUTOMATING AWNINGS AND ROLLING SHUTTERS**

## CREATING MORE BENEFITS FOR CUSTOMERS AND CONSUMERS

In mature European markets, the motorization of rolling shutters and exterior solar protection remains the Group's primary market. Somfy has been its leading player for 40 years. In 2014, the company further strengthened its positions, and the Home & Building Activity posted growth that outperformed the market, up between 3% and 5% depending on the country. Only France saw more mixed levels of activity (overall sales down 2.1%) due to the sluggish economy.

To consolidate its leadership, Somfy is constantly finding new sources of added value to offer its customers. The main result of this strategy has been the growth in sales of io solutions (motors, sensors, control points). Designed by Somfy, this bi-directional communication protocol allows for advanced functionality in terms of information feedback. To support its growth in 2014 (+12%), the Group continued to support the migration of its key accounts towards this system, and to lead the emergence of the connected home market.

## INNOVATION AT THE HEART OF THE GROUP'S STRATEGY

Innovation is a key means of leveraging the upscale movement of European markets. Alongside this, it helps consolidate Somfy's role as a generator of new business, which it has always had with its trade customers. In 2014, the Group cemented a long-term technological advance over its competitors with its new solutions presented to the ▶

# +2.2%

AVERAGE GROWTH IN THE HOME & BUILDING ACTIVITY IN MATURE EUROPEAN MARKETS.

# +12%

INCREASE IN SALES OF IO MOTOR SOLUTIONS



Professional fair





**FRANK SCHÄDLICH,**  
DIRECTOR OF THE EUROPE-MIDDLE EAST-AFRICA REGION  
(EMEA)

“At a commercial level, our challenge is the same as all manufacturers who rely on a professional distribution network: to continue to improve the way we meet the needs of end-users, in order to develop our offer, without compromising the trusting relations we have formed with our installer and manufacturer customers. This involves creating new points of interaction with end-users, to leverage new business for our customers. We have risen to this challenge by capitalizing massively on new digital technologies and digital channels in recent years. The latest approach is Lead Management, launched in France in February 2014. This system handles requests for quotes sent by consumers via our website Somfy.fr and transfers these leads to our network of approved Somfy Expert installers. In 2014, we passed on 5,300 requests for quotes, with an excellent transformation rate of prospects, between 60% and 80%. This is a virtuous approach that is completely new in the residential sector, and is already working very effectively in our subsidiaries in Israel, Lebanon and Italy.”

**“THANKS TO  
DIGITAL, SOMFY IS  
CONSOLIDATING ITS  
ROLE OF GENERATING  
NEW BUSINESS FOR  
ITS CUSTOMERS”**



**+40%**

GROWTH IN SALES OF MOTORS FOR SWINGING SHUTTERS, MAINLY IN FRANCE

**+40%**

RISE IN SALES FOR SOMFY'S ONLINE STORES IN THE EMEA REGION (EUROPE, MIDDLE EAST, AFRICA)

**Silence**

15% INCREASE IN SALES FOR THE SONESSE RANGE FOR INTERIOR APPLICATIONS

► market in February 2015 at the R+T fair in Stuttgart. Smart & Smooth is the first motor that is fully connected to the Internet, offering brand new settings options and remote control functionalities. It represents productivity gains and new services for manufacturers and installers.

#### EXPANDING THE OFFER AND DISTRIBUTION CHANNELS IN THE RESIDENTIAL SECTOR

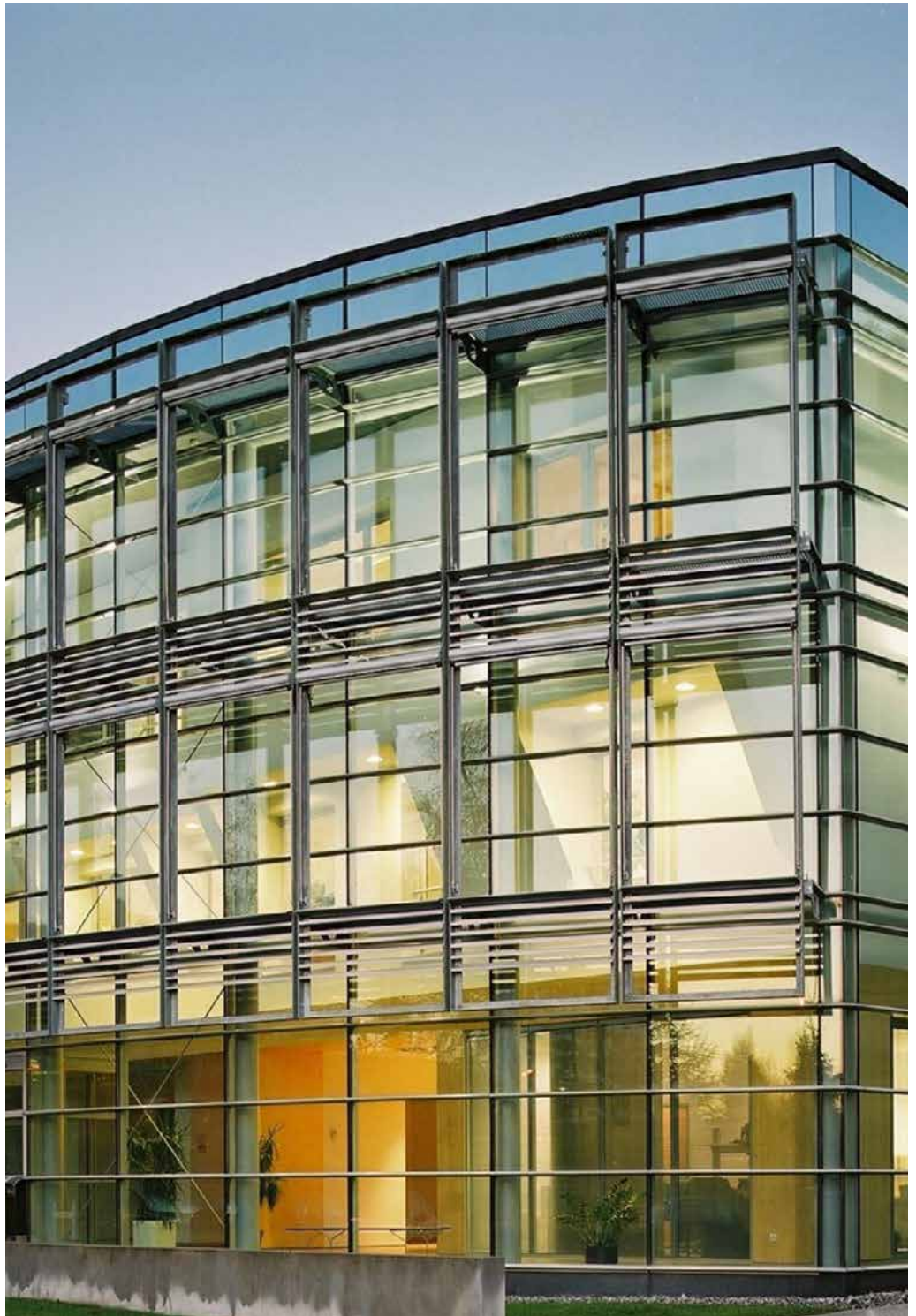
In mature countries, Somfy's profitable growth depends on a strategy of expanding its range of applications (interior blinds, access products, etc.) and its distribution channels. In 2014, Northern Europe was the territory that achieved the best results from this dual approach, which has been intensified in the past three years. After five difficult years, Somfy returned with a solid performance (sales up 8.4%) thanks to actions taken to develop the interior applications market. In 2014, the consolidation of the network of residential installers and designers in Benelux and the United Kingdom resulted in a 16% increase in sales, thanks in particular to battery-operated wirefree motors. In France, the growth in sales of motorized systems for swinging shutters (+40%) confirmed the strong potential of this market. This new application was also successfully deployed in Italy and Central Europe.

#### EXPANDING OUR ACTIVITY IN COMMERCIAL BUILDINGS TO INCLUDE SERVICES

The commercial projects market represents 14% of Somfy's activity in mature European markets. This sector is a strong source of growth in Northern Europe, where Somfy has implemented a business model for the past five years based on the specification of complete solutions and associated services (installation, start-up, maintenance). This has been a success, resulting in a 65% increase in the sale of services in 2014. The development of the commercial segment depends on partnerships with other manufacturers. The aim is to offer turnkey energy savings as well as thermal and visual comfort for occupants. In France, the Light Balancing solution sold in partnership with Philips Lighting led to the securing of 50 projects in 2014.

#### AN INCREASINGLY ROBUST INDUSTRIAL NETWORK

Despite the uncertainties of the European economy,



Somfy's market is growing in structural terms. To achieve an increase in both volumes and profitability, the Group continues to consolidate its fundamentals. In 2014, it made important progress in efficiency gains of its industrial network, with the opening of the SOPEM factory in Poland, improving both the Group's profitability and its agility to adapt its production capacity to suit the pace of the market. Meanwhile, quality, a core aspect of Somfy's capacity to fulfill its customer promise without fail, remains a priority. The deployment of new action plans has halved the time it takes to solve problems. Lastly, the robustness of the Group's activity continuity plans was demonstrated in 2014, when employee action affect in one of its main suppliers was communicated with complete transparency to customers. ■

#### CONNEXOON REINVENTS THE PATIO AS A LIVING SPACE



The smartphone app Connexoon, launched in 2015, brings new automation benefits out onto the patio. As well as managing the awning motor, the end-user can use this single control point to control lighting settings and playlists on their phone.



## SPAIN: A WINNING STRATEGY



In 2008, Somfy's business was severely impacted by the bursting of the real estate bubble in Spain. There followed a serious consumption crisis, a downturn on the awnings market, certain business customers facing solvency issues, and more. In 2009, Somfy reacted by redeploying its sales force to target new customers, and by expanding its activities to new areas of growth, notably Access and commercial projects. After initial encouraging signs in the previous year, 2014 confirmed Spain's return to growth. The Group posted a 9.6% increase in sales, in a market that remains difficult. Another source of satisfaction is the good performance of the rolling shutter market: Somfy has increased its share of this market (+9 points) and has moved upscale. This is proof that winning new key accounts and redeploying teams to serve a wider range of customers is a winning strategy.

## UNITED STATES: SILENCE DRIVES LEADERSHIP



Along with Japan, Australia and South Korea, the United States is one of Somfy's mature markets. The Group's activity there mainly involves applications for interior solar protections in the residential and commercial sectors. Already the market leader, Somfy still has plenty of room for growth due to the low motorization rate for awnings and other window treatments. In this respect, the United States is a frontrunner in the development and distribution of Sonesse silent motors. The latest in the range is the ultra-silent motor, the Ultra 50, which will be launched worldwide in 2015, and which has been commercially available since September. This has been a success: sales of interior applications grew by 20% in 2014.



01

Thanks to the control software in the Smart & Smooth motor, installers can carry out remote diagnostics.



02

The Somfy brand now has 31% spontaneous brand awareness for swinging shutters.



03

R+T fair in Stuttgart in February 2015.

# /ACCESS

## WE ARE MAKING THIS ACTIVITY THE SECOND CORE DRIVER OF THE GROUP'S GROWTH

### GATES AND GARAGE DOORS MARKET: CAPITALIZING ON CONNECTIVITY WITH ALL RESIDENTIAL APPLICATIONS

Fifteen years after the launch of the Access Activity, the Group has achieved its goal of making it a key drivers of its growth in Europe. In the space of a few years, the Somfy brand has developed a complete range of motorization systems for the professional sales channel. So, what is Somfy's competitive edge that sets it apart in the customers' eyes? Its compatibility with Somfy's connected home solutions: its product interconnect with all other residential applications. And its connected products in the io range are designed to take advantage of all the benefits of the TaHoma® solution. This includes feedback on the proper functioning of equipment and alerts in case of intruders at home. In 2015, the brand plans to introduce a new wave of innovation in terms of connected solutions. Foremost will be new services for professionals and end-users. BFT, the Group's other major global brand in the Access market, took its first step into this field, with its U-Link communication protocol that connects its products to the Internet.

In 2014, this added value and the complementarity of its brands were the main sources of growth in the Access Activity's overall performance (+5%) in a market experiencing sluggish growth.

### THE STRENGTH OF THE MULTIBRAND STRATEGY TO SUSTAIN WORLDWIDE AMBITIONS

The growth in Access has always been based on complementarity and synergies in the Activity's multibrand portfolio. The idea is to maximize business in channels where Somfy is already present, through a differentiated offer that covers all needs. This strategy, which has proved effective in mature European territories, now allows the Group to target growth in regions that are developing quickly, such as Eastern Europe and the Middle East.

Access is gradually expanding its activities by coordinating all of its brands to consolidate its growth. For example, Simu's industrial and commercial closures meet the needs of emerging territories in the Middle East. The Spanish brand Automatismos Pujol is spearheading development in North Africa, thanks to its presence in the Mediterranean region. The two Brazilian brands, Giga (security) and Garen (gates and garage doors), are the focus of the Group's ambitions in South America. As ►



**OLIVIER SENÉE,**  
DIRECTOR OF THE ACCESS ACTIVITY

"Thanks to our multibrand strategy, we have demonstrated that Somfy can be the market leader for Access in Europe, and the second driver of the Group's growth in these territories. Since 2010, the Access Activity has posted constant growth in its sales, achieved through both organic growth and acquisitions. Because our strength is the complementarity of our brands, we have worked hard on the positioning of each one, and on their fundamentals. Now that this strategy is mature and well established, it is time to move to the next stage: the adoption, at the beginning of 2015, of a new organization structure based on three units, aligned with our strategic goals. Firstly, this means consolidating our positions in gates and garage doors applications, by regrouping all our brands into one unit in order to accelerate the implementation of synergies. The aim is to move from European leadership to worldwide leadership. After that, our goal is to focus more on our strategic segments, security and Brazil, by creating two other units."

**"A NEW ORGANIZATION STRUCTURE FOCUSED ON THREE STRATEGIC GOALS: DOOR & GATE, SECURITY, AND BRAZIL"**





## COMMERCIAL: A SECTOR ON THE RISE



Led by the BFT brand, the commercial Access Activity achieved a good performance in 2014. The Group sells products such as barriers and management systems for car parks, retractable bollards for roads, and automatic doors for buildings and commercial spaces. In 2014, BFT saw its product quality endorsed when it obtained K12 certification in the United States for its range of retractable bollards. With crash tests to prove it, this guarantees that its retractable bollards are capable of stopping a 6.8-tonne truck traveling at 80 km per hour.



## A PORTFOLIO OF EIGHT BRANDS

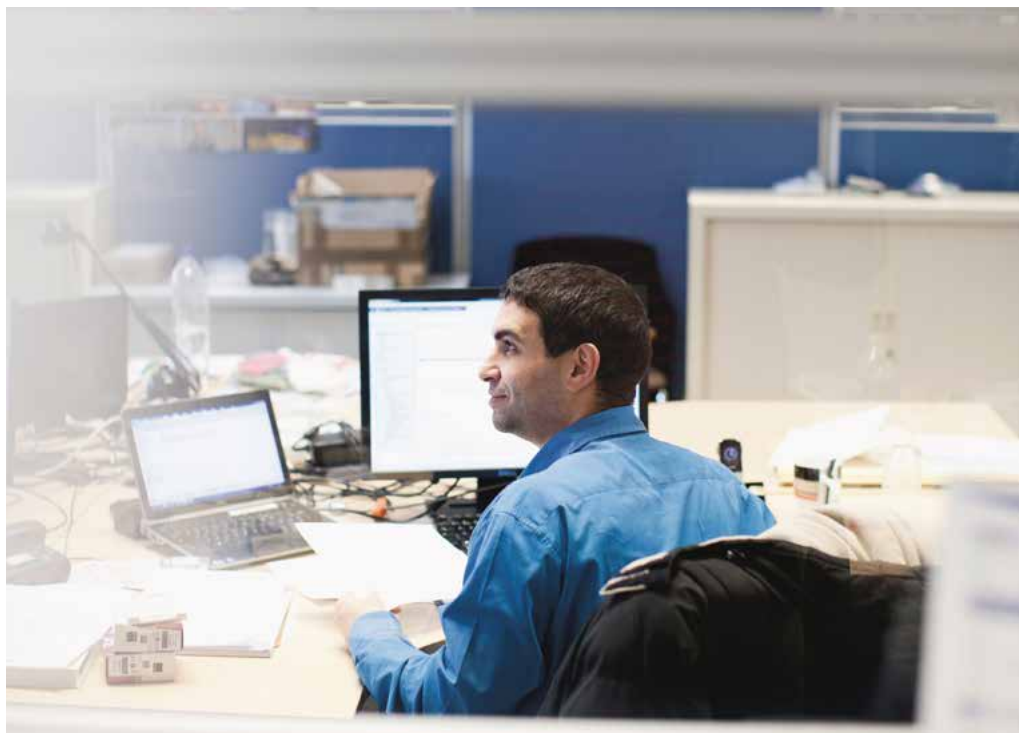


Today, the Access Activity has two global brands, Somfy and BFT, as well as brands focused on applications sectors or regions: Simu, for industrial and commercial closures, O&O and Sacs, which complement BFT's urban access management solutions; Automatismos Pujol, which is well established in the western Mediterranean region, and Giga and Garen in Brazil.

somfy®



At the end of August, an internal conference brought together 70 managers from Giga, Garen and NeoControl over three days, to focus on intercultural relations between France and Brazil and the shared knowledge of the Brazilian companies.



**+5%**

SALES GROWTH OF THE ACCESS  
ACTIVITY IN 2014

**x 5**

INCREASE IN THE SALE OF  
VIDEODOORPHONES IN ONE YEAR

► for BFT, whose core business remains in Europe and the Middle East, its expertise in commercial building applications has allowed Access to begin operating as far away as China, India and Australia.

#### THE SECURITY MARKET: AN IMPORTANT NEW SOURCE OF DEVELOPMENT

A new activity for the Group, security is a rapidly growing market for which Somfy has big ambitions. The aim is to reproduce the success of its development on the gates and garage doors market, within the space of a decade. Launched in 2006, its alarms offer is now firmly established as part of Somfy's connected home solutions. This is particularly the case in large DIY stores, where this product is a star in terms of sales. The next step is videodoorphones, which posted a fivefold increase in sales between 2013 and 2014. To continue at the same pace, Somfy will capitalize on two strengths: the compatibility of security products with TaHoma®, and its multibrand portfolio (Somfy, BFT, Giga in Brazil). In order to maximize complementarities and synergies, the new organizational structure of the Access Activity put in place in the autumn has created an entity dedicated to security. In 2014, this new team began to acquire new technical skills with the aim of developing new offers. ■



# On the security market

SOMFY'S AIM IS TO REPRODUCE THE SUCCESS OF ITS DEVELOPMENT ON THE GATES AND GARAGE DOORS MARKET, WITHIN THE SPACE OF A DECADE.

## 2015 INNOVATIONS EXTENSION OF THE PROFESSIONAL RANGE AND CONNECTIVITY

### 230V RTS MOTORS FOR GATES

At the 2015 R+T fair in Stuttgart, Somfy presented its new 230-volt motors for gates based on its RTS radio communication protocol. Powerful and robust, they can power gates weighing between 400 and 800 kg. Their electronics offer advanced features for extreme comfort and high security in use: slowdown at the end of movement, excellent resistance to wind and intruders, and more.



### PROTEXIAL IO ALARM SYSTEM

This 100% connected system can control alarms and receive alerts on a smartphone via its own app. It is also compatible with the TaHoma® connected home solution. Made up of a control server, a siren and movement detectors, Protexial io interconnects with residential motor systems to offer optimum security benefits. This allows the occupant to simulate their presence while they are out, by combining it with the automatic activation of rolling shutters and lights.





# /CONNECTED HOME

## BECOMING THE LEADER IN OUR OFFER CATEGORY

### MAKING TAHOMA® THE UNIVERSAL INTERFACE OF THE CONNECTED HOME

TaHoma® is a solution that comprises a box connected to the Internet, allowing home equipment to communicate with each other, along with an app that lets you supervise them from mobile terminals, and free and paying services that offer comfort, security and energy savings benefits. With this offer, Somfy aims to become the leader on the connected home market in its category (residential openings, closures and security). This means offering end-users the best possible service to let them manage their home. It must be a solution that is an effective interface between all electrical and electronic equipment in the house. With around 100 compatible pieces of equipment to date, TaHoma® is already the most exhaustive connected home solution on the European market. To complement its own applications (shutters, blinds, access, security) Somfy has teamed up with other leading names in construction, such as Velux for windows, and Ciat, Honeywell, Atlantic, and Hitachi for heating and air conditioning. In 2014, the Group expanded this ecosystem to include Philips Hue (bulbs), Danfoss (thermostat valves) and GU Locks. In all, there are now 18 major partner brands of the TaHoma® solution.

At the same time, Somfy continues to expand its offer. TaHoma 2.0, the new-generation version of its application, will be launched in 2015. Following that, the brand will begin marketing lighting receivers – intelligent sockets that replace switches – and a range of thermostats for heating. These will offer the benefit of reducing energy consumption during periods when the home is unoccupied thanks to pre-programmed scenarios. TaHoma® is now a powerful means of leveraging growth in the sale of Somfy applications based on the io communication protocol. A survey\* has shown that each box sold is connected to an average of 12 to 15 pieces of equipment, such as motors for rolling shutters, cameras, sensors, and detectors. Forty percent of boxes are connected to an alarm and 20% to automatic access systems (gates and garage doors).

### “THE” CHOICE FOR PROFESSIONAL CUSTOMERS

Because professionals are the best promoters of the Somfy brand promise to end-users, the Group has made them the standard bearers of the development of its connected home market in Europe. Today, 75% of TaHoma® sales are made through professionals. It is the leading Home ►





# 18

PARTNER BRANDS

# 60%

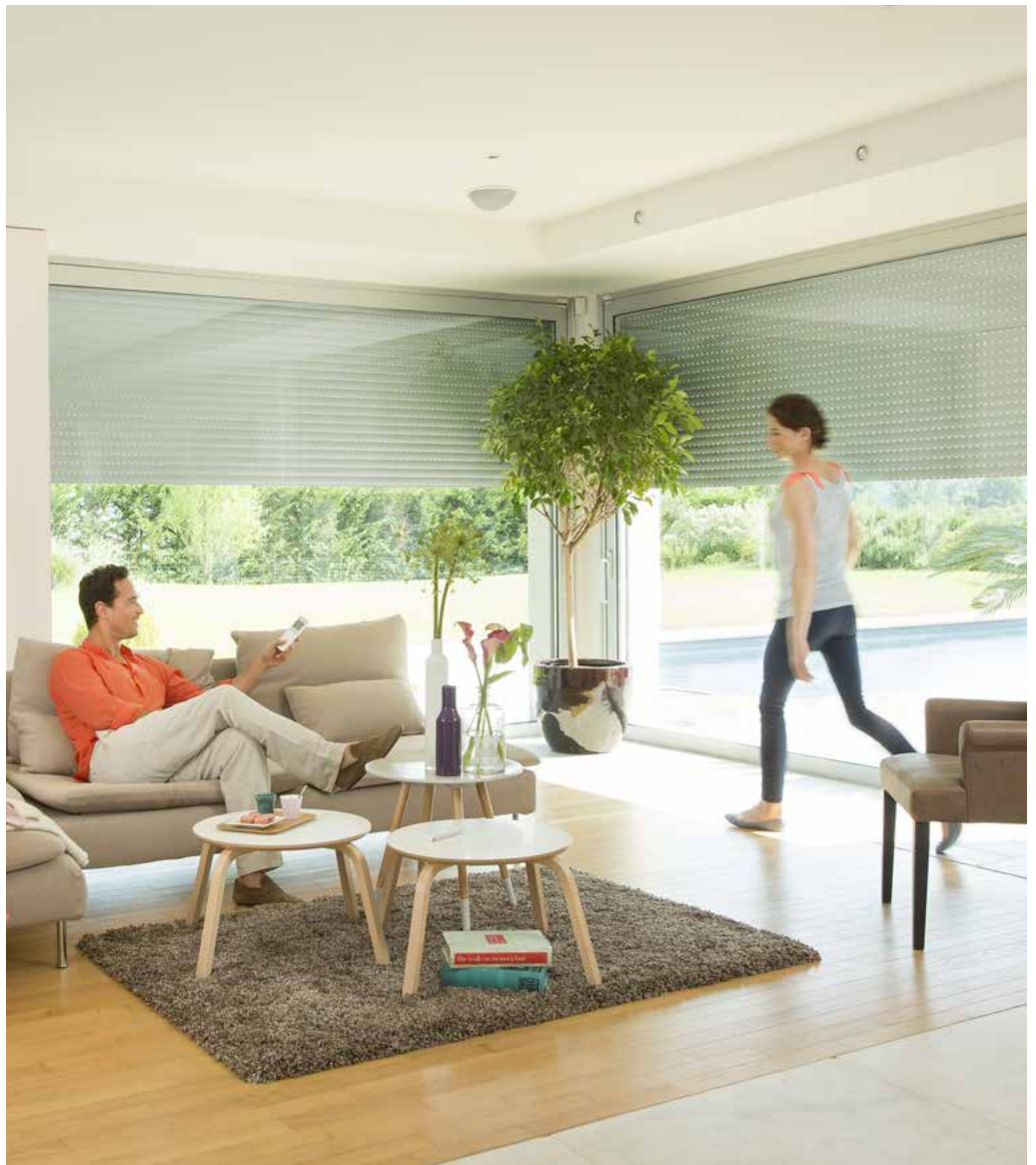
INCREASE IN SALES OF THE TAHOMA® BOX  
COMPARED TO 2013 IN EUROPE



**EMMANUEL JOUMARD,**  
DIRECTOR OF SOMFY'S HOME AUTOMATION UNIT

"The TaHoma® solution is perfectly in tune with the second Internet revolution, the Internet of things, which will have a major impact on the industry. Somfy aims to benefit from these technologies to develop the value, functionalities and services we'll be able to offer. We will target all players in our business chain: manufacturers, installers and end-users. For the moment, the most visible changes relate to the design of our products, which feature an increasing amount of electronics. However, in time, changes will concern the use of equipment and, potentially, all services that our professional customers will carry out remotely, such as maintenance and diagnostics. The fact that are our products are connected allows us to understand how they are used. This is part of a voluntary approach by end-users. This knowledge will be very useful to us for optimizing our offer (functions, robustness, battery capacity, etc.) but also end products made by our manufacturing partners."

**"THE INTERNET  
OF OBJECTS:  
A POWERFUL  
OPPORTUNITY  
TO OFFER  
NEW SERVICES"**



# 58%

OF THE FRENCH NAME SOMFY AS THE LEADING  
HOME AUTOMATION BRAND

# More than 100

ÉPIECES OF EQUIPMENT COMPATIBLE WITH  
TAHOMA®

► Automation offer in this distribution channel. The Group aims to continue to consolidate this network by bringing in new entrants through training programs and putting in place specially qualified networks. This is already the case in France, Germany and Benelux. In 2014, TaHoma® reached a significant milestone with Somfy's traditional customers, its network of approved Expert installers: the number who have installed at least five boxes during the year has almost doubled since 2013. This is a strong sign of the support among this network for new connected object technologies.

## AND OTHER MANUFACTURERS IN THE RESIDENTIAL INDUSTRY

Another strong strategy to support the growth of TaHoma® is to gradually impose it as the key solution of choice among manufacturers developing on the connected home market. To this end, Somfy is signing agreements with two types of commercial partner: those who use the TaHoma® solution to manage their own Home Automation products, and those who use the box as a white label product. In 2014, three new partnerships moved into the operational phase. In air conditioning, Hitachi began marketing TaHoma® at a European level. In France, De Dietrich launched the De Dietrich Box that lets its customers monitor the energy consumption of their heating and hot water systems. For a subscription fee, end-users of this box can also supervise equipment by Somfy and its ecosystem of 18 partner brands. Along the same lines, the DolceVita ZenBox by GDF-Suez was launched on the market this year. ■

\* Survey carried out in 2014 among a representative sample of end-users of the TaHoma® box in 10 European countries.



## BENEFITS AND QUALITY RECOGNIZED BY PROFESSIONALS



Every year, the 300 family home construction companies in the Union des Maisons Françaises reward the best industrial innovations. Somfy won the gold medal in the Services to Customers category for a senior housing project carried out with the Fousse Constructions group. Since 2014, TaHoma® has also been the first Home Automation product certified "high protection" by SySS, a German IT security company that is well known around the world.

## OVERKIZ, THE START-UP THAT IS BRINGING CONSTRUCTION INTO THE DIGITAL ERA



To support the digital transformation of its offer, Somfy has Overkiz, a French start-up it acquired in 2007. Overkiz is responsible for the design of the TaHoma® solution and the associated Cloud architecture. Overkiz now works for other industrial customers, supplying them with turnkey building management solutions based on the Internet and the Cloud. In 2014, Somfy and Overkiz saw their groundbreaking expertise recognized by the French public authorities. Their R&D project Comète (Cloud for the intelligent home and energy efficiency) received a state grant of €300,000. The aim of this initiative, implemented with six other partners, is to develop more intelligent Home Automation systems by investigating the man-building interface and the calculation capacities of the Cloud.



## CONNECTED HOME: A FOCUS FOR DEVELOPMENT THAT IS ALSO OUTSIDE EUROPE



Somfy still generates most of its sales of connected home solutions in Europe, in the 12 countries in which TaHoma® is marketed. However, this market offers growth potential in most territories. A local version of TaHoma® has existed in the United States since 2011. And the brand will launch its European version in 10 new countries in 2015, including Turkey and India. In 2014, the Group reached an important milestone in two priority strong-growth markets. Connected home products have been launched under the Somfy brand in Brazil and other South American countries. This follows the 2012 acquisition of a share in NeoControl, a Brazilian start-up specializing in Home Automation. This locally developed offer has generated synergies with the Chinese subsidiary, which has launched its own adaptation, TaHoma®1. Presented to Chinese professionals at the start of 2014 at R+T China, this solution will gradually become available in all Asia-Pacific territories. The next step is Thailand. For now, this system is not connected to the Internet. The initial aim is to test the market and create distribution channels.



## TAHOMA® USER SATISFACTION SURVEY, 2014



# 88%

COMFORT AND QUALITY OF DAILY LIFE IS THE  
MAIN REASON FOR BUYING TAHOMA®

# 9

OUT OF 10 END-USERS SATISFIED (88%)

# More than 3

OUT OF 4 BUYERS DID NOT LOOK AT ANY  
OTHER HOME AUTOMATION PRODUCT  
BEFORE BUYING TAHOMA®

# 95%

USE DAILY TAHOMA® APP



The TaHoma® 2.0 app controls equipment at home  
from a smartphone



"Les Spectaculaires" campaign in France – the Somfy  
Box is displayed in 43 DIY superstores

# /INTERNATIONAL DEVELOPMENT

## ACCELERATING OUR DEPLOYMENT IN STRONG-GROWTH COUNTRIES

### REACHING CRITICAL MASS IN TARGET TERRITORIES IN EASTERN EUROPE AND THE MIDDLE EAST

In 2014, Somfy's activity continued to grow strongly in Eastern Europe (+21.6% in sales) and in the Middle East and Africa region (+14.3%). The Group's strategy is to achieve a dominant position in several target territories through the gradual deployment of all its activities and the expansion of its distribution channels. In more mature countries such as Poland and the Czech Republic, the consolidation of activities is being achieved through an increase in value on the traditional markets (awnings, rolling shutters), by developing sales of RTS radio motorizations and connected home products.

In Eastern Europe, the dynamism of the market benefited the Home & Building Activity (+20% growth) and Access products (+18%). The latter now represent 20% of the Group's activity in this region. The Middle East & Africa territories are mainly interior applications markets (+8% in sales). In Turkey and North Africa, however, Somfy was able to exploit the significant potential of the rolling shutters and interior blinds market. With these applications, sales grew by 30% through the deployment of an offer adapted to local needs.

### CHINA: A NEW REGIONAL INNOVATION BUSINESS UNIT FOR ASIA

In China, the economic slowdown and the sharp decline in the real estate market impacted Somfy's activities on the commercial project and upmarket residential segments. However, the Group closed the year with growth of 1.8% thanks to the way it coordinated and combined the strengths of all its brands (Somfy, Dooya, LianDa, ►

# +21.6%

GROWTH IN SALES IN EASTERN EUROPE

# +14.3%

GROWTH IN SALES IN THE MIDDLE EAST & AFRICA



**OLIVIER PICCOLIN,**  
DIRECTOR OF THE ASIA-AMERICAS BMA

"In terms of interior applications, which for now are Somfy's core business in Asia-Americas, our development strategy is based on two key approaches. First, to increase our added-value in commercial projects. This means gradually moving away from the sale of motors towards comfort and energy-saving solutions. This is why we are strengthening our role as a specifier to architects and engineers. It also means developing associated services (installation, maintenance) and our technological alliances with partners such as Philips Lighting. The performance of our activity in Australia in 2014 reflects the relevance of this strategy. We are also deploying this model in China. Next, we need to capitalize on the increase in the purchasing power of the middle classes by designing mass market products for the residential sector. Until now, our sales were mainly generated by upmarket housing and hotels. From now on, Somfy will also be a key player in this rapidly expanding market. The location of our R&D center for curtains, in China, and the gradual deployment of a connected home offer throughout Asia, are powerful levers for this strategy."

**"SOMFY IS JUST  
AT THE START OF  
ITS ASIA-AMERICAS  
EXPERIENCE"**





## SOMFY HAS A DOUBLE RESULT WITH THE SOPEM FACTORY



The 2014 opening of the Sopem factory in Poland will help support the Group's very strong growth in Eastern Europe in the long term. It will also revive the competitiveness of motors for exterior venetian blinds. This is an important application in this part of Europe, and is the reason for the Group's excellent performance in the Czech Republic (+30% in sales).

## TURKEY: 100,000 MOTORS SURPASSED



2014 revealed the full potential of the Turkish market for rolling shutters, the Group's core application. Somfy saw its sales increase by 35% and exceed 100,000 motors over the year. The keys to this success were the price positioning and functionalities to reflect local needs, the expansion of distribution to include medium-sized assemblers, and a TV campaign which boosted the brand's reputation among end-users. In 2015, Somfy will launch similar actions on the solar protections market.

## COMMERCIAL PROJECTS: A MAJOR FOCUS OF GROWTH IN THE MIDDLE EAST AND ASIA



Sales of interior applications (silent motors and curtain motors) took full advantage the dynamism of the commercial project activity in the Asia-Pacific and Middle East (+18% in sales).

**+9%**

GROWTH IN SALES IN ASIA-PACIFIC

**+1.8%**

GROWTH IN SALES IN CHINA

**+5.1%**

GROWTH IN SALES IN SOUTH AMERICA



LianDa factory - China

► BFT). Most importantly, 2014 saw the achievement of major milestones to support the development potential of the Chinese and Asian markets. For example, LianDa became the new R&D center for curtain applications, of which China is the biggest consumer worldwide (60% of the market). Its industrial site has also taken on the production of a portion of tubular motors for the Somfy brand marketed in China and the Asia-Pacific region. The aim is to meet the specific needs of these markets. At the same time, LianDa became the world logistics center for all products made in China, and the start-up of the new Dooya factory has significantly consolidated the Group's production and innovation capacity in Asia.

#### IMPROVING THE PERFORMANCE OF THE ASIAN AND SOUTH AMERICAN MARKETS

The efficiency drive implemented in Asia-Pacific since 2012 continues to bear fruit. Confirming the 2013 trend, the Group posted a significant increase in its profitability and growth in this region (+9% in sales). The performance was particularly strong in Australia (+12% in sales). The reorganization of the subsidiary in recent years has led to a strong development in commercial projects and a consolidation in market share.

In South America (+5.1% in growth), Somfy is putting in place plans to support its future growth. The actions launched in 2014, such as updating the product range and sales approach, and reorganizing the subsidiaries, have already achieved significant results. In Brazil, for example, the organic growth of the Somfy brand in its traditional territory enabled the Group to consolidate its positions. Currently in the integration phase, the companies acquired between 2011 and 2013 (Giga, NeoControl, Garen Automação) will allow the Group to become a major player on the security market in South America in the next few years. ■





+10%

AVERAGE GROWTH IN SALES IN THE HOME & BUILDING ACTIVITY IN STRONG-GROWTH TERRITORIES (EASTERN EUROPE, MIDDLE EAST, ASIA-PACIFIC, CHINA, SOUTH AMERICA)

22%

IN POLAND, PROMPTED AWARENESS OF THE SOMFY BRAND NOW STANDS AT 22% (COMPARED TO 13% IN 2013). IT IS 79% IN SAUDI ARABIA.



01

Motorized curtains in China or in the Gulf countries.



02


Exterior venetian blinds in Eastern Europe.



03

2014 R+T China



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