

# BETTER LIVING

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# 01

## 2017 HALF-YEAR BUSINESS REPORT

### KEY FIGURES

€ millions	30/06/17	30/06/16	% change
Sales	643.5	587.5	+ 9.5%
Current operating result	106.2	114.4	– 7.2%
Operating result	105.9	114.3	– 7.3%
Net profit	84.0	92.7	– 9.4%
Net investments in intangible assets and property, plant and equipment	33.0	30.4	+ 8.3%
Cash flow	109.0	108.8	+ 0.1%
Net financial debt	11.6	24.6	–

Somfy Group is the global leader in opening and closing automation for both residential and commercial buildings, and a key player in the connected home.

### SALES GROWTH

Consolidated sales for the six months to the end of June stood at €643.5 million, an increase of 9.5% in real terms, including 11.0% over the first quarter and 8.3% over the second, and of 8.5% on a like-for-like basis, including 9.9% over the first quarter and 7.3% over the second. This was in line with the financial year just ended<sup>1</sup> and confirmed the strength of the market and the attractiveness of the Group's offering.

All geographic regions<sup>2</sup> ended the half-year up, although some were faced with an unfavourable base effect as a result of the strong growth recorded over previous half-years, and once again highlighted the growing interest among customers from different regions of the world in connected home solutions.

The most notable performances came from Asia-Pacific, America and Northern Europe (up 15.2%, 13.7% and 10.6% respectively on a like-for-like basis).

Business also held up very well in France where there was a significant acceleration over the second quarter, as well as in both Central and Eastern and Southern Europe<sup>3</sup> (up 8.4%, 8.1% and 6.7% respectively on a like-for-like basis).

1. Group sales grew 10.2% on a like-for-like basis over 2016 as a whole, including 11.9% over the first quarter, 12.2% over the second, 7.1% over the third and 9.5% over the fourth quarter.

2. Germany, America, Asia-Pacific, Central and Eastern Europe, Northern Europe, Southern Europe and France are the geographic regions usually used to analyse and monitor sales. Their respective sales are calculated based on customer location and therefore the destination of the sales.

3. Africa and the Middle East are included in Southern Europe for the monitoring and analysis of sales.

Conversely, the trend was reversed in Germany, where the calendar effect<sup>4</sup> had a significant impact at the end of the second quarter, but it nevertheless remained positive over the half-year (up 1.9% on a like-for-like basis).

### CHANGE IN CURRENT OPERATING RESULT

Current operating result stood at €106.2 million over the half-year, down 7.2%, and represented 16.5% of sales.

This decline reflected both an erosion in the gross margin and a contained rise in general expenses within a context of increased strategic investments (digitalisation, marketing, innovation, etc.). This was due to contextual and structural elements, namely the historically high comparison base level<sup>5</sup>, market share gains, price rises in raw materials and the incorporation of newly-acquired companies<sup>6</sup>.

Discounting the impact of changes in scope, current operating result stood at 17.4% of sales.

### CHANGE IN NET PROFIT

Consolidated net profit was €84.0 million, a decline of 9.4%. This takes into account a €5.6 million charge involving non-recurring operating and financial items, which primarily represents unrealised currency gains and losses, and a €16.5 million tax charge.

### NET FINANCIAL DEBT

The net financial debt is defined and detailed in Note 8.2.3 to the condensed consolidated interim financial statements.

Cash flow for the period was €109.0 million. It covered the growth in investments and the moderate increase in working capital requirements.

The balance sheet remained very strong, with net financial debt<sup>7</sup> limited to €11.6 million and equity which grew to €695.0 million.

4. Over this half-year, June included two fewer billing days in Germany.

5. Current operating margin (COR/Sales) for the first half-year stood at 19.5% in 2016 compared with 17.7% in 2015, 17.1% in 2014 and 16.7% in 2013.

6. The Group acquired the entire share capital of Myfox, a specialist in connected solutions for home security, in October 2016, and a majority shareholding in iHome Systems, an integrator of home automation solutions in December 2016.

7. Net financial debt corresponds to the difference between financial debt and cash and cash equivalents. It takes into account both deferrals in payments and earnout on acquisitions as well as liabilities related to put options granted to holders of non-controlling interests.

## OUTLOOK

More than half of Somfy Group's sales are generated in the first half of the year.

Market conditions should remain favourable in the short term within the various regions in which the Group operates and should therefore lead to further growth in sales despite the high comparison base level in many countries. Similarly, the elements responsible for the decline in profitability over the first half-year should continue to impact results.

The ongoing roll-out of the strategic plan Believe and Act will be one of the main projects over the next few months, since the priority remains to position the Group as a key player in home digitalisation, with a major focus on comfort, security and the energy efficiency of buildings, and therefore to ensure that it fully capitalises on the significant potential of the market.

That is why new purchase and partnership opportunities will be researched and considered.

## HIGHLIGHTS

### CIAT

On 5 January 2015, **Somfy SA** transferred its 46.1% equity investment in the share capital of CIAT Group to **United Technologies Corporation**. On 31 March 2016, United Technologies Corporation filed a claim against the sellers of the CIAT shares under the liability guarantee. The requests included in the claim were unfounded and insufficiently detailed and justified, leading the Group to send a letter dated 2 May 2016 to UTC, requesting detailed documentation. On 17 March 2017, UTC responded by forwarding documents and clarifications which remain insufficient to justify the financial loss sustained, which UTC estimates at €31.3 million (equating to a €14.4 million share for Somfy).

As the process currently stands, Somfy Group continues to contest the entirety of UTC's demands and remains confident regarding the outcome of this dispute. It has qualified the risk as a contingent liability and no provision was recognised at 30 June 2017.

At 30 June 2017, Somfy SA's financial statements include a deferred settlement in relation to the sale of the CIAT shares for the sum of €10.5 million with payment spread until 2019.

### SPIREL

The dispute between **Spirel** employees and **Somfy SA** is ongoing before the Albertville District Court. The employees seek annulment of the transfer of the Spirel securities, which took place in 2010, and to have Somfy SA ordered to pay them damages for the alleged deliberate bankruptcy of Spirel and non-material damage caused as a result of the anxiety, disappointment and vexation they considered to have been victim of, for a total of approximately €8.2 million. In April 2017, the Court ruled in favour of Somfy SA, dismissing the employees' claims. However, the plaintiffs immediately appealed this decision.

For the record, in the absence of any findings or documentation provided by the plaintiffs, the proceedings before the Labour Court – involving the employees contesting the grounds for their dismissal and claiming damages of a substantially similar amount to that sought before the District Court – was dismissed in October 2016. The employees applied to the Albertville Labour Court once again in early July 2017. By letter dated 10 July 2017, Somfy is required to submit documents and findings by 28 November 2017 and has been summoned to appear before the adjudication panel for a hearing on 1 February 2018.

These new factors do not alter the Group's risk evaluation. Therefore, it continues to qualify these risks as contingent liabilities

and no provision was recognised in relation to these disputes at 30 June 2017.

## CHANGES TO THE CONSOLIDATION SCOPE

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The Group did not make any major acquisition over the first six months of 2017.

Myfox and iHome, acquired in late 2016, contributed €5.6 million and €0.4 million respectively to Group sales.

## POST BALANCE-SHEET EVENT

Excluding the new summons as part of the Spirel dispute referred to above, no material post-balance sheet event has occurred since 30 June 2017.

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# 02

## 2017 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

€ thousands	Notes	30/06/17 6 months	30/06/16 6 months
Sales	(5.1)	643,499	587,538
Other operating income		9,063	8,372
Cost of sales		– 244,969	– 204,685
Employee expenses		– 179,116	– 166,568
External expenses		– 98,983	– 91,226
<b>EBITDA</b>		<b>129,493</b>	<b>133,430</b>
Amortisation and depreciation charges	(6.2) & (6.3)	– 23,205	– 19,070
Charges to/reversal of current provisions		– 7	260
Gains and losses on disposal of non-current operating assets		– 82	– 186
<b>CURRENT OPERATING RESULT</b>		<b>106,200</b>	<b>114,433</b>
Other operating income and expenses	(5.2)	– 302	– 153
<b>OPERATING RESULT</b>		<b>105,897</b>	<b>114,280</b>
– Financial income from investments		922	1,083
– Financial expenses related to borrowings		– 1,454	– 1,339
Cost of net financial debt		– 532	– 255
Other financial income and expenses		– 4,733	234
<b>NET FINANCIAL INCOME/(EXPENSE)</b>	<b>(8.1)</b>	<b>– 5,265</b>	<b>– 22</b>
<b>PROFIT BEFORE TAX</b>		<b>100,632</b>	<b>114,258</b>
Income tax	(12)	– 16,473	– 21,540
Share of net profit/(loss) from associates	(13)	– 204	– 7
<b>CONSOLIDATED NET PROFIT</b>		<b>83,955</b>	<b>92,711</b>
Attributable to Group share		84,588	91,379
Attributable to Non-controlling interests		– 633	1,331
<b>Basic earnings per share (€)*</b>	<b>(7.2)</b>	<b>2.46</b>	<b>13.31</b>
<b>Diluted earnings per share (€)*</b>	<b>(7.2)</b>	<b>2.46</b>	<b>13.30</b>

\* The Company's share capital has changed from 7,400,000 shares with a par value of €1 to 37,000,000 shares with a par value of €0.20 during the first half of 2017.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ thousands	30/06/17	30/06/16
Net profit for the period	83,955	92,711
Movement in gains and losses on translation of foreign currency	– 1,357	– 5,764
Movement in fair value of foreign currency hedges	307	– 487
Movement in tax on items that may be reclassified to profit or loss	– 105	154
<b>Items that may be reclassified to profit or loss</b>	<b>– 1,155</b>	<b>– 6,097</b>
Movement in actuarial gains and losses	–	– 2,083
Movement in tax on items that will not be reclassified to profit or loss	–	935
<b>Items that will not be reclassified to profit or loss</b>	<b>–</b>	<b>– 1,148</b>
<b>Items of other comprehensive income</b>	<b>– 1,155</b>	<b>– 7,246</b>
<b>Total comprehensive income for the period</b>	<b>82,800</b>	<b>85,465</b>
Attributable to Group share	83,433	84,134
Attributable to Non-controlling interests	– 633	1,331

## CONSOLIDATED BALANCE SHEET – ASSETS

€ thousands	Notes	30/06/17 Net	31/12/16 Net
<b>Non-current assets</b>			
Goodwill	(6.1)	202,758	205,568
Net intangible assets	(6.2)	42,959	44,515
Net property, plant and equipment	(6.3)	262,489	254,557
Investments in associates	(13)	1,594	1,880
Financial assets	(8.2.1)	3,480	2,588
Other receivables	(5.5.1)	3,872	3,885
Deferred tax assets		44,578	44,118
<b>Total Non-current assets</b>		<b>561,731</b>	<b>557,111</b>
<b>Current assets</b>			
Inventories	(5.4)	177,368	169,744
Trade receivables		232,701	162,433
Other receivables	(5.5.2)	34,688	39,923
Current tax assets		25,350	21,494
Financial assets	(8.2.1)	830	747
Derivative instruments - assets		579	4
Cash and cash equivalents		110,544	133,847
<b>Total Current assets</b>		<b>582,059</b>	<b>528,192</b>
<b>TOTAL ASSETS</b>		<b>1,143,790</b>	<b>1,085,303</b>



**CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES**

€ thousands	Notes	30/06/17	31/12/16
<b>Shareholders' equity</b>			
Share capital		7,400	7,400
Share premium		1,866	1,866
Other reserves		600,981	507,297
Net profit for the period		84,588	141,097
<b>Group share</b>		<b>694,835</b>	<b>657,660</b>
Non-controlling interests		178	252
<b>Total Shareholders' equity</b>		<b>695,014</b>	<b>657,911</b>
<b>Non-current liabilities</b>			
Non-current provisions	(10.1.1)	12,270	13,180
Other financial liabilities	(8.2.2)	35,822	36,348
Other liabilities		1,462	1,543
Employee benefits		24,218	26,802
Deferred tax liabilities		37,241	37,004
<b>Total Non-current liabilities</b>		<b>111,013</b>	<b>114,876</b>
<b>Current liabilities</b>			
Current provisions	(10.1.2)	8,984	8,581
Other financial liabilities	(8.2.2)	86,688	83,235
Trade payables		139,413	115,023
Other liabilities		90,444	95,740
Tax liabilities		12,019	9,557
Derivative instruments - liabilities		215	379
<b>Total Current liabilities</b>		<b>337,764</b>	<b>312,516</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,143,790</b>	<b>1,085,303</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ thousands	Share capital (1)	Share premium	Treasury shares	Changes in foreign exchange rates	Consolidated reserves	Total shareholders' equity	Non-controlling interests	Total equity (Group share)
<b>AT 31 DECEMBER 2016</b>	<b>7,400</b>	<b>1,866</b>	<b>– 99,054</b>	<b>9,522</b>	<b>738,177</b>	<b>657,911</b>	<b>252</b>	<b>657,660</b>
Total comprehensive income for the period	–	–	–	– 1,357	84,157	<b>82,800</b>	– 633	<b>83,433</b>
Treasury share transactions	–	–	411	–	728	<b>1,139</b>	–	<b>1,139</b>
Dividends	–	–	–	–	– 41,909	<b>– 41,909</b>	–	<b>– 41,909</b>
Other movements (2)	–	–	–	–	– 4,928	<b>– 4,928</b>	559	<b>– 5,487</b>
<b>AT 30 JUNE 2017</b>	<b>7,400</b>	<b>1,866</b>	<b>– 98,643</b>	<b>8,165</b>	<b>776,225</b>	<b>695,014</b>	<b>178</b>	<b>694,835</b>
<b>AT 31 DECEMBER 2015</b>	<b>7,400</b>	<b>1,866</b>	<b>– 99,275</b>	<b>14,515</b>	<b>653,415</b>	<b>577,921</b>	<b>262</b>	<b>577,659</b>
Total comprehensive income for the period	–	–	–	– 5,764	91,229	<b>85,465</b>	1,331	<b>84,134</b>
Treasury share transactions	–	–	– 210	–	– 202	<b>– 412</b>	–	<b>– 412</b>
Dividends	–	–	–	–	– 39,126	<b>– 39,126</b>	–	<b>– 39,126</b>
Other movements (2)	–	–	–	–	– 4,819	<b>– 4,819</b>	– 1,391	<b>– 3,428</b>
<b>AT 30 JUNE 2016</b>	<b>7,400</b>	<b>1,866</b>	<b>– 99,485</b>	<b>8,751</b>	<b>700,497</b>	<b>619,030</b>	<b>203</b>	<b>618,827</b>

Liabilities corresponding to put options granted to holders of non-controlling interests are recognised against the non-controlling interests covered by the put options and Group share of equity for the balance. Subsequent changes to liabilities are recorded under Group share of equity.

(1) Share capital comprises 37,000,000 shares with a par value of € 0.20. The par value of the shares was divided by five during the first six months of 2017.  
(2) Other movements include changes to the consolidation scope, exchange rate differences on capital transactions, as well as liabilities and subsequent changes in liabilities corresponding to put options granted to holders of non-controlling interests. The flow over the first half of 2017 represented the change in the liability related to the Dooya put option. This item also includes the reclassification under "Equity – Group share" of the share of the comprehensive income attributable to the non-controlling interests covered by the put options.

## CONSOLIDATED CASH FLOW STATEMENT

€ thousands	Notes	30/06/17 6 months	30/06/16 6 months
<b>Consolidated net profit</b>		<b>83,955</b>	<b>92,711</b>
Depreciation and amortisation of assets (excluding current assets)		22,355	21,484
Charges to/reversals of provisions for liabilities		– 633	– 242
Unrealised gains and losses related to fair value movements		– 436	– 80
Unrealised foreign exchange gains and losses		3,989	– 4,504
Income and expenses related to stock options and employee benefits		– 466	1,344
<b>Depreciation, amortisation, provisions and other non-cash items</b>		<b>24,809</b>	<b>18,002</b>
Profit on disposal of assets and others		82	1,119
Share of net profit/(loss) from associates		204	7
Deferred tax expense		– 95	– 3,004
<b>Cash flow</b>		<b>108,956</b>	<b>108,837</b>
Cost of net financial debt (excluding non-cash items)		532	255
Tax expense (excluding deferred tax)		16,568	24,544
Change in working capital requirements	(9.2)	– 61,426	– 82,170
Tax paid		– 17,768	– 8,748
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>		<b>46,862</b>	<b>42,718</b>
Acquisition-related disbursements:			
– intangible assets and property, plant and equipment		– 33,258	– 30,777
– non-current financial assets		– 1,109	– 395
Disposal-related proceeds:			
– intangible assets and property, plant and equipment		306	346
– non-current financial assets		4,400	4,400
Change in current financial assets		429	983
Acquisition of companies, net of cash acquired		–	– 55
Disposal of companies, net of cash disposed of		–	1,205
Interest received		200	111
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		<b>– 29,032</b>	<b>– 24,182</b>
Increase in loans		5,982	2,734
Reimbursement of loans		– 1,159	– 17,317
Net increase in shareholders' equity of subsidiaries		–	– 2
Dividends and interim dividends paid		– 41,909	– 39,126
Movement in treasury shares		1,055	– 180
Interest paid		– 1,428	– 1,343
<b>NET CASH FLOW FROM FINANCING AND CAPITAL ACTIVITIES (C)</b>		<b>– 37,459</b>	<b>– 55,234</b>
Impact of changes in foreign exchange rates on cash and cash equivalents (D)		– 1,670	– 1,698
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C + D)</b>		<b>– 21,299</b>	<b>– 38,395</b>
<b>CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD</b>	(9.1)	<b>126,249</b>	<b>99,272</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	(9.1)	<b>104,950</b>	<b>60,877</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**Somfy SA** is a company governed by a Management Board and a Supervisory Board, listed on the Eurolist of Euronext Paris (Compartment A, ISIN code: FR0013199916). Somfy Group is specialised in opening and closing automation and controls for both residential and commercial buildings (motors for blinds, shutters, curtains, screens, doors, gates, etc.). The head office is based in Cluses, Haute-Savoie, France.

Somfy SA is a 52.65%-owned subsidiary of J.P.J.S., a company incorporated under French law.

The condensed consolidated IFRS financial statements of **Somfy Group** at 30 June 2017 have been prepared by the Management Board on 30 August 2017. Total assets were €1,143,790 thousand and consolidated net profit €83,955 thousand (Group share: €84,588 thousand).

### NOTE 1 – HIGHLIGHTS

#### NOTE 1.1: CIAT

On 5 January 2015, **Somfy SA** transferred its 46.1% equity investment in the share capital of CIAT Group to **United Technologies Corporation**. On 31 March 2016, United Technologies Corporation filed a claim against the sellers of the CIAT shares under the liability guarantee. The requests included in the claim were unfounded and insufficiently detailed and justified, leading the Group to send a letter dated 2 May 2016 to UTC, requesting detailed documentation. On 17 March 2017, UTC responded by forwarding documents and clarifications which remain insufficient to justify the financial loss sustained, which UTC estimates at €31.3 million (equating to a €14.4 million share for Somfy).

As the process currently stands, Somfy Group continues to contest the entirety of UTC's demands and remains confident regarding the outcome of this dispute. It has qualified the risk as a contingent liability and no provision was recognised at 30 June 2017.

At 30 June 2017, Somfy SA's financial statements include a deferred settlement in relation to the sale of the CIAT shares for the sum of €10.5 million with payment spread until 2019.

#### NOTE 1.2: SPIREL

The dispute between **Spirel** employees and **Somfy SA** is ongoing before the Albertville District Court. The employees seek annulment of the transfer of the Spirel securities, which took place in 2010, and to have Somfy SA ordered to pay them damages for the alleged deliberate bankruptcy of Spirel and non-material damage caused as a result of the anxiety, disappointment and vexation they considered to have been victim of, for a total of approximately €8.2 million. In April 2017, the Court ruled in favour of Somfy SA, dismissing the employees' claims. However, the plaintiffs immediately appealed this decision.

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These new factors do not alter the Group's risk evaluation. Therefore, it continues to qualify these risks as contingent liabilities and no provision was recognised in relation to these disputes at 30 June 2017.

#### NOTE 1.3: CHANGES TO THE CONSOLIDATION SCOPE

The Group did not make any major acquisition over the first six months of 2017.

Myfox and iHome, acquired in late 2016, contributed €5.6 million and €0.4 million respectively to Group sales.

### NOTE 2 – POST BALANCE-SHEET EVENT

Excluding the new summons as part of the Spirel dispute referred to above, no material post-balance sheet event has occurred since 30 June 2017.

### NOTE 3 – ACCOUNTING RULES AND METHODS

#### NOTE 3.1: COMPLIANCE WITH ACCOUNTING STANDARDS

In application of European Regulation 1606/2002 of 19 July 2002, the Somfy Group's condensed consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board), as adopted by the European Union at 30 June 2017.

These standards are available on the European Commission website at [http://ec.europa.eu/finance/accounting/ias/index\\_en.htm](http://ec.europa.eu/finance/accounting/ias/index_en.htm)

The condensed consolidated interim financial statements have been prepared in accordance with the international financial reporting standard IAS 34 ("Interim financial reporting"). They do not contain all disclosures and notes included in the full-year financial statements. As a result, they must be read in conjunction with the Group's consolidated financial statements at 31 December 2016.

The Group's consolidated financial statements for the year ended 31 December 2016 are available from the Group's website [www.somfyfinance.com](http://www.somfyfinance.com) and upon request from head office.

#### NOTE 3.2: JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires Management to make a number of judgments, estimates and assumptions liable to affect the values of certain assets, liabilities, and income and expense items in the financial statements, and certain information provided in the notes to the financial statements. Due to the inherently uncertain nature of assumptions, actual results may differ from these estimates. The Group reviews its estimates and assessments on a regular basis to take past experience into account and incorporate factors considered relevant under current economic conditions.

As part of the preparation of these consolidated interim financial statements, the main judgments made and the main assumptions (described in the 2016 annual financial statements) used by Management have been updated based on the latest indicators available.

At 30 June, Somfy Group reviews its performance indicators and, if necessary, carries out impairment tests if there is any indication that an asset may have been impaired.

**NOTE 3.3: NEW APPLICABLE STANDARDS AND INTERPRETATIONS****Note 3.3.1: Standards, amendments and interpretations applicable within the European Union from the financial year beginning on 1 January 2017**

The Group has applied the following standards, amendments and interpretations as of 1 January 2017 at the latest:

Standards	Content	Application date
Amendments to IAS 12	Recognition of deferred tax assets for unrealised losses	Applicable from 1 January 2017
Amendments to IAS 7	Disclosure initiative	Applicable from 1 January 2017
Annual improvements to IFRS	2014-2016 cycle – amendment to IFRS 12	Applicable from 1 January 2017 (EU approval expected by the end of 2017)

These new standards have not had a material impact on the Group's results and financial position.

**Note 3.3.2: Standards and interpretations whose application is not yet mandatory**

Standards	Content	Application date
IFRS 9	Financial instruments: classification and measurement and subsequent amendments to IFRS 9 and IFRS 7	Applicable from 1 January 2018
IFRS 15	Revenue recognition	Applicable from 1 January 2018
Amendments to IFRS 2	Classification and measurement of share-based payment transactions	Applicable from 1 January 2018 according to IASB, not yet approved by the EU
Annual improvements to IFRS	2014-2016 cycle – excluding amendment to IFRS 12 applicable from 2017	Applicable from 1 January 2018
Amendments to IFRS 15	Clarification of IFRS 15	Applicable from 1 January 2018 according to IASB, not yet approved by the EU
IFRS 16	Leases	Applicable from 1 January 2019 according to IASB, not yet approved by the EU
IFRIC 22	Foreign currency transactions and advance considerations	Applicable from 1 January 2018 according to IASB, not yet approved by the EU

The Group did not opt for the early application of any of these new standards or amendments and is currently assessing the impact resulting from their initial application.

Detailed information is available on the following website: <http://www.ifrs.org>

IFRS 15 sets out the principles for revenue recognition based on a five-step model framework:

- identify the contract,
- identify the various performance obligations, i.e. list the goods or services the seller is committed to supply to the purchaser,
- determine the total price of the contract,
- allocate the total price to each performance obligation,
- recognise revenue and ancillary costs when a performance obligation is satisfied.

Application of this new approach, based on ongoing analyses, did not lead to identify any material impact on Somfy Group's financial statements. The Group does not expect an early application of IFRS 15 as of 31 December 2017.

Analysis of the impact of IFRS 16 "Leases" is ongoing within Somfy Group.

The restatement of lease contracts will lead to an increase in operating result, financial expenses, non-current assets and financial liabilities. It is not expected to have any material impact on shareholders' equity and net profit based on ongoing reviews.

Likewise, the changes introduced by IFRS 9 should only have a limited impact on the financial statements.

**NOTE 4 – SEGMENT REPORTING**

Somfy includes entities the business of which comes under the «Home & Building», «Access Automation» and “Connected Solutions” applications and is structured in two geographic regions.

The geographic location of assets is used as sole segment reporting criterion. Management makes its decisions based on this strategic focus using reporting by geographic region as its key analysis tool.

The two geographic regions are:

- Europe, Middle East & Africa (EMEA),
- Asia & Americas (A&A).

**AT 30 JUNE 2017**

€ thousands	Europe, Middle East & Africa	Asia & Americas	Intra-regional eliminations	Consolidated
Segment sales	506,403	180,647	– 43,551	643,499
Intra-segment sales	– 29,565	– 13,986	43,551	–
Segment sales - Contribution to sales	476,838	166,661	–	643,499
Segment current operating result	96,928	9,271	–	106,200
Share of net profit/(loss) from associates	–	– 204	–	– 204
Cash flow	99,678	9,278	–	108,956
Net investments in intangible assets and PPE	25,961	6,992	–	32,952
Goodwill	109,682	93,076	–	202,758
Net intangible assets and PPE	243,493	61,955	–	305,448
Investments in associates	722	872	–	1,594

**AT 30 JUNE 2016**

€ thousands	Europe, Middle East & Africa	Asia & Americas	Intra-regional eliminations	Consolidated
Segment sales	471,264	165,626	– 49,352	587,538
Intra-segment sales	– 33,359	– 15,994	49,352	–
Segment sales - Contribution to sales	437,906	149,632	–	587,538
Segment current operating result	96,278	18,155	–	114,433
Share of net profit/(loss) from associates	– 1	– 7	–	– 7
Cash flow	93,847	14,990	–	108,837
Net investments in intangible assets and PPE	23,372	7,058	–	30,430
Goodwill	86,182	93,758	–	179,940
Net intangible assets and PPE	222,445	59,219	–	281,664
Investments in associates	723	1,836	–	2,559

**NOTE 5 – PERFORMANCE-RELATED DATA****NOTE 5.1: SALES BY CUSTOMER LOCATION**

This presentation by customer location was supplemented by our segment reporting pursuant to IFRS 8, which is based on the geographic regions in which our assets are based, namely Europe, Middle East & Africa (EMEA) and Asia & Americas (A&A).

€ thousands	30/06/17 6 months	30/06/16 6 months	Change N/N-1	Change N/N-1 change like-for-like
France	164,869	147,249	12.0%	8.4%
Germany	93,636	92,005	1.8%	1.9%
Northern Europe	63,671	58,703	8.5%	10.6%
Central and Eastern Europe	64,746	58,694	10.3%	8.1%
Southern Europe, Middle East and Africa	116,874	110,912	5.4%	6.7%
Asia-Pacific	66,116	56,788	16.4%	15.2%
Americas	73,587	63,187	16.5%	13.7%
<b>TOTAL SALES</b>	<b>643,499</b>	<b>587,538</b>	<b>9.5%</b>	<b>8.5%</b>

**NOTE 5.2: OTHER OPERATING INCOME AND EXPENSES**

€ thousands	30/06/17 6 months	30/06/16 6 months
Charge to/reversal of non-current provisions	– 185	– 264
Other non-current items	– 117	111
– Non-current income	17	127
– Non-current expenses	– 134	– 16
Net gain/(loss) on disposal of non-current assets	–	–
<b>OTHER OPERATING INCOME AND EXPENSES</b>	<b>– 302</b>	<b>– 153</b>

**NOTE 5.3: ALTERNATIVE PERFORMANCE MEASURES****Note 5.3.1: Current operating margin**

Current operating margin, which corresponds to current operating result as a proportion of sales (COR/Sales), is a useful performance indicator as it reflects operating profitability.

€ thousands	30/06/17 6 months	30/06/16 6 months
Current operating result	106,200	114,433
Sales	643,499	587,538
<b>CURRENT OPERATING MARGIN</b>	<b>16.5%</b>	<b>19.5%</b>

**NOTE 5.4: INVENTORIES**

€ thousands	30/06/17	31/12/16
<b>Gross value</b>		
Raw materials and other supplies	59,927	56,059
Finished goods and merchandise	129,762	125,143
<b>Total</b>	<b>189,689</b>	<b>181,202</b>
<b>Provisions</b>	<b>– 12,321</b>	<b>– 11,458</b>
<b>NET VALUES</b>	<b>177,368</b>	<b>169,744</b>

€ thousands	Value 31/12/16	Net charges	Exchange rate movements	Changes in consolidation scope	Value 30/06/17
Inventory provisions	– 11,458	– 1,070	207	–	– 12,321

**NOTE 5.5: OTHER NON-CURRENT AND CURRENT RECEIVABLES****Note 5.5.1: Other non-current receivables**

€ thousands	30/06/17	31/12/16
<b>Gross value</b>		
Other operating receivables	2	15
Other non-operating receivables	3,870	3,870
<b>TOTAL</b>	<b>3,872</b>	<b>3,885</b>

The item “Other non-operating receivables” notably includes non-current receivables of €3.9 million at 30 June 2017 on the disposal of CIAT, unchanged from 31 December 2016.

**Note 5.5.2: Other current receivables**

€ thousands	30/06/17	31/12/16
<b>Gross value</b>		
Receivables from employees	4,489	3,545
Other taxes (including VAT)	6,938	11,830
Prepaid expenses	9,988	6,333
Other receivables	13,273	18,215
<b>TOTAL</b>	<b>34,688</b>	<b>39,923</b>

The item “Other receivables” notably includes current receivables of €11.0 million at 30 June 2017 and €15.4 million at 31 December 2016 on the disposal of CIAT and the Faac transaction.

**NOTE 6 – INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT****NOTE 6.1: GOODWILL AND IMPAIRMENT TESTS****Note 6.1.1: Goodwill**

€ thousands	Valeur
At 1 January 2017	205,568
Changes in scope of consolidation	–
Changes in foreign exchange rates	– 2,810
Charge for impairment	–
<b>AT 30 JUNE 2017</b>	<b>202,758</b>

The purchase price allocations of Myfox and iHome are ongoing and will be finalised during the second half of 2017.

**Note 6.1.2: Impairment tests**

At 30 June 2017 as at 30 June 2016, as part of its review of significant intangible assets, the Group did not identify any indications of impairment that would require impairment testing.



## NOTE 6.2: OTHER INTANGIBLE ASSETS

	Allocated intangible assets	Develop- ment costs	Patents and brands	Software	Other	In pro- gress and advance payments	Total
<b>€ thousands</b>							
Gross value at 1 January 2017	27,256	38,298	9,003	45,138	2,290	7,920	129,905
Acquisitions	–	430	103	513	60	3,865	4,971
Disposals	–	– 890	–	– 35	– 44	–	– 969
Changes in foreign exchange rates	– 1,239	–	– 249	– 77	– 3	–	– 1,567
Changes in scope of consolidation	–	–	–	–	–	–	–
Other movements	–	5,498	– 19	1,838	– 20	– 7,336	– 39
<b>AT 30 JUNE 2017</b>	<b>26,017</b>	<b>43,336</b>	<b>8,838</b>	<b>47,377</b>	<b>2,284</b>	<b>4,449</b>	<b>132,301</b>
Accumulated amortisation at 1 January 2017	– 17,506	– 26,718	– 3,381	– 35,956	– 1,828	–	– 85,390
Amortisation charge for the period	– 1,202	– 2,806	– 288	– 1,526	– 67	–	– 5,889
Disposals	–	890	–	35	45	–	970
Changes in foreign exchange rates	792	–	49	53	3	–	898
Changes in scope of consolidation	–	–	–	–	–	–	–
Other movements	–	–	50	–	20	–	70
<b>AT 30 JUNE 2017</b>	<b>– 17,916</b>	<b>– 28,634</b>	<b>– 3,569</b>	<b>– 37,395</b>	<b>– 1,828</b>	<b>–</b>	<b>– 89,341</b>
<b>NET VALUE AT 30 JUNE 2017</b>	<b>8,101</b>	<b>14,702</b>	<b>5,269</b>	<b>9,983</b>	<b>456</b>	<b>4,449*</b>	<b>42,959</b>

\* Of which development expenses in progress amounting to €3.8 million.

## NOTE 6.3: PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant, machinery and tools	Other	In pro- gress and advance payments	Total
<b>€ thousands</b>						
Gross value at 1 January 2017	21,600	170,238	244,464	70,048	27,890	534,241
Acquisitions	–	145	5,193	4,335	17,189	26,861
Disposals	–	– 13	– 5,611	– 1,210	–	– 6,833
Changes in foreign exchange rates	209	– 1,119	– 410	– 1,116	– 174	– 2,609
Changes in scope of consolidation	–	–	–	–	–	–
Other movements	775	5,144	13,465	1,099	– 20,467	16
<b>AT 30 JUNE 2017</b>	<b>22,584</b>	<b>174,395</b>	<b>257,102</b>	<b>73,156</b>	<b>24,438</b>	<b>551,676</b>
Accumulated depreciation at 1 January 2017	– 601	– 74,479	– 157,998	– 46,606	–	– 279,684
Depreciation charge for the period	– 109	– 3,470	– 9,528	– 4,210	–	– 17,316
Disposals	–	12	5,361	1,071	–	6,444
Changes in foreign exchange rates	– 16	246	563	623	–	1,416
Changes in scope of consolidation	–	–	–	–	–	–
Other movements	–	– 51	– 39	43	–	– 47
<b>AT 30 JUNE 2017</b>	<b>– 726</b>	<b>– 77,742</b>	<b>– 161,640</b>	<b>– 49,080</b>	<b>–</b>	<b>– 289,187</b>
<b>NET VALUE AT 30 JUNE 2017</b>	<b>21,859</b>	<b>96,653</b>	<b>95,462</b>	<b>24,076</b>	<b>24,438</b>	<b>262,489</b>

**NOTE 7 – DIVIDENDS AND EARNINGS PER SHARE****NOTE 7.1: DIVIDENDS**

The gross dividend proposed at the AGM of 17 May 2017 called to approve the 2016 financial statements was €6.10. It was paid on 6 June 2017.

**NOTE 7.2: EARNINGS PER SHARE**

Basic earnings per share	30/06/17 6 months	30/06/16 6 months
Net profit - Group share (€ thousands)	84,588	91,379
Total number of shares (1)	37,000,000	7,400,000
Treasury shares* (2)	2,651,211	533,128
Number of shares used in calculation (1) – (2)	34,348,789	6,866,872
<b>EARNINGS PER SHARE (€)</b>	<b>2.46</b>	<b>13.31</b>

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

Diluted earnings per share	30/06/17 6 months	30/06/16 6 months
Net profit - Group share (€ thousands)	84,588	91,379
Total number of shares (1)	37,000,000	7,400,000
Treasury shares** (2)	2,587,236	531,423
Number of shares used in calculation (1) – (2)	34,412,764	6,868,577
<b>DILUTED EARNINGS PER SHARE (€)</b>	<b>2.46</b>	<b>13.30</b>

\*\* Free shares are excluded.

The par value of the shares which make up the share capital of Somfy SA has been divided by five. The Company's share capital has changed from 7,400,000 shares with a par value of €1 to 37,000,000 shares with a par value of €0.20 during the first half of 2017. Diluted earnings per share take into account shares allocated free of charge in determining the "number of shares used in the calculation".

**NOTE 8 – FINANCIAL ITEMS****NOTE 8.1: NET FINANCIAL INCOME/(EXPENSE)**

€ thousands	30/06/17 6 months	30/06/16 6 months
Cost of net financial debt	– 532	– 255
– Financial income from investments	922	1,083
– Financial expenses related to borrowings	– 1,454	– 1,339
Foreign exchange effect	– 5,243	3,495
Other	510	– 3,262
<b>NET FINANCIAL INCOME/(EXPENSE)</b>	<b>– 5,265</b>	<b>– 22</b>

The change in net financial income/(expense) between June 2016 and June 2017 was primarily due to an unfavourable currency effect.

**NOTE 8.2: FINANCIAL ASSETS AND LIABILITIES****Note 8.2.1: Financial asset**

€ thousands	Financial assets available for sale	Loans	Deposits and guarantees	Other	Current and non-current financial assets	Realisable within 1 year	Non-current financial assets
At 1 January 2017	334	75	2,924	3	<b>3,335</b>	747	<b>2,588</b>
Increase	1,025	443	83	–	<b>1,551</b>	13	<b>1,538</b>
Decrease	–	– 427	– 15	–	<b>– 442</b>	– 442	–
Net change in impairment	–	–	– 2	–	<b>– 2</b>	–	<b>– 2</b>
Changes in foreign exchange rates	– 56	– 5	– 70	–	<b>– 132</b>	– 30	<b>– 102</b>
Changes in scope of consolidation	–	–	–	–	–	–	–
Other movements	13	–	– 13	–	–	542	<b>– 542</b>
<b>AT 30 JUNE 2017</b>	<b>1,316</b>	<b>85</b>	<b>2,907</b>	<b>3</b>	<b>4,310</b>	<b>830</b>	<b>3,480</b>

Financial assets available for sale are recorded at fair value.

Financial assets realisable within one year mainly comprise short-term deposits.

**Note 8.2.2: Financial liabilities**

€ thousands	Borrowings from credit institutions	Lease commitments	Other borrowings and financial liabilities	Bank over-drafts	Current and non-current financial liabilities	Due within 1 year	Non-current financial liabilities
At 1 January 2017	16,386	8,014	87,586	7,598	<b>119,584</b>	83,235	<b>36,348</b>
New/repayment of borrowings	5,929	– 1,088	615	– 1,361	<b>4,096</b>	3,580	<b>517</b>
Impact of the revaluation of put options	–	–	4,928	–	<b>4,928</b>	4,928	–
Changes in foreign exchange rates	– 1,028	1	– 4,427	– 644	<b>– 6,098</b>	– 5,252	<b>– 846</b>
Changes in scope of consolidation	–	–	–	–	–	–	–
Other movements	–	–	–	–	–	197	<b>– 197</b>
<b>AT 30 JUNE 2017</b>	<b>21,288</b>	<b>6,927</b>	<b>88,702</b>	<b>5,593</b>	<b>122,510</b>	<b>86,688</b>	<b>35,822</b>

Other borrowings and financial liabilities include the debt relating to the put options granted to the holders of non-controlling interests and to earn-outs, which amounted to €82.9 million at 30 June 2017 and €81.4 million at 31 December 2016, as well as to deferred settlements of €5.3 million at 30 June 2017 and €5.6 million at 31 December 2016. The change was mainly due to the discounting of the put option granted to minority shareholders in Dooya, valued at €60.2 million at 30 June 2017 compared with €58.7 million at 31 December 2016 and exercisable from the end of 2015 onwards.

Subsequent changes in liabilities corresponding to put options granted to holders of non-controlling interests are recognised in equity. The Group renegotiated its lines of financing generating a total available amount of €200 million with maturities of between three and five years. The covenants introduced are similar to those that existed at 31 December on former lines.

**Note 8.2.3: Analysis of net financial debt**

The net financial debt corresponds to the difference between financial assets and financial liabilities. Notably, it takes into account unlisted bonds receivable, issued by certain companies in which shares are held or related entities, earn-out on acquisitions, liabilities relating to options granted to minority shareholders in fully-consolidated companies and deferred settlements of a financial nature. Not included are securities in non-controlling equity investments, deposits & guarantees and government grants.

€ thousands	30/06/17	31/12/16
Financial liabilities included in net financial debt calculation	122,500	119,573
Financial assets included in net financial debt calculation	323	288
– Marketable securities	238	214
– Loans	85	74
Cash and cash equivalents	110,544	133,847
<b>NET FINANCIAL DEBT</b>	<b>11,633</b>	<b>– 14,562</b>

(–) Net financial surplus

Financial liabilities included in net financial debt include the debt relating to the put options granted to the holders of non-controlling interests and to earn-outs, which amounted to €82.9 million at 30 June 2017 and €81.4 million at 31 December 2016, as well as to deferred settlements of €5.3 million at 30 June 2017 and €5.6 million at 31 December 2016. Restated for these items, the net financial surplus was €76.5 million at 30 June 2017, compared with €101.6 million at 31 December 2016.

**NOTE 9 – ANALYSIS OF CASH FLOW STATEMENT****NOTE 9.1: CASH AND CASH EQUIVALENTS**

€ thousands	30/06/17 6 month	30/06/16 6 months
<b>CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD</b>	<b>126,249</b>	<b>99,272</b>
Cash and cash equivalents at the start of the period	133,847	103,787
Bank overdrafts	– 7,598	– 4,515
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>104,950</b>	<b>60,877</b>
Cash and cash equivalents at the end of the period	110,544	72,117
Bank overdrafts	– 5,594	– 11,240

**NOTE 9.2: CHANGE IN WORKING CAPITAL REQUIREMENTS**

€ thousands	30/06/17 6 months	30/06/16 6 months
Net decrease/(increase) in inventory	– 10,276	– 19,915
Net decrease/(increase) in trade receivables	– 74,570	– 73,841
Net (decrease)/increase in trade payables	27,154	18,369
Net movement in other receivables and payables	– 3,734	– 6,784
<b>CHANGE IN WORKING CAPITAL REQUIREMENTS</b>	<b>– 61,426</b>	<b>– 82,170</b>

**NOTE 10 – PROVISIONS AND CONTINGENT LIABILITIES****NOTE 10.1: PROVISIONS****Note 10.1.1: Non-current provisions**

€ thousands	Provisions for guarantees	Provisions for litigation	Provision for employee liability	Provisions for liabilities and charges	Total 2017
At 1 January 2017	6,238	1,844	447	4,651	13,180
Charges	209	226	26	26	487
Used reversals	–	– 527	– 67	– 39	– 633
Unused reversals	–	– 242	–	– 244	– 486
Impact of foreign exchange rates	– 116	– 4	–	– 158	– 278
Change in consolidation scope	–	–	–	–	–
Other movements	–	–	–	–	–
<b>AT 30 JUNE 2017</b>	<b>6,331</b>	<b>1,297</b>	<b>406</b>	<b>4,236</b>	<b>12,270</b>

**Note 10.1.2: Current provisions**

€ thousands	Provisions for guarantees	Provisions for litigation	Provisions for liabilities and charges	Total 2017
At 1 January 2017	5,536	1,226	1,819	8,581
Charges	221	192	437	850
Used reversals	–	– 28	– 262	– 290
Unused reversals	–	– 18	– 10	– 28
Impact of foreign exchange rates	– 119	–	– 10	– 129
Change in consolidation scope	–	–	–	–
Other movements	–	–	–	–
<b>AT 30 JUNE 2017</b>	<b>5,638</b>	<b>1,372</b>	<b>1,973</b>	<b>8,984</b>

**NOTE 10.2: CONTINGENT LIABILITIES**

All of the Group's contingent liabilities are set out in the Highlights.

**NOTE 11 – WORKFORCE**

Somfy Group's average workforce at 30 June 2017, including temporary and part-time employees recorded on a full-time equivalent basis, was as follows:

	30/06/17	30/06/16
Average workforce	8,928	8,499

## NOTE 12 – INCOME TAX

€ thousands	30/06/17 6 months	30/06/16 6 months
<b>Profit before tax from continuing operations</b>	<b>100 632</b>	<b>114 258</b>
<i>Share of expenses on dividends</i>	1,473	1,589
<i>Reclassification of CVAE to Income tax</i>	– 1,682	– 1,567
<i>Reclassification of CICE to Employee expenses</i>	– 1,199	– 967
<i>Reclassification of CIR to Other operating income</i>	– 2,609	– 2,050
<i>Other</i>	2,402	– 2,999
Permanent differences	– 1,614	– 5,994
Net profit taxed at reduced rate	– 15,914	– 14,625
Net profit taxable at standard rate	83,104	93,639
<i>Tax rate in France</i>	34.43%	34.43%
Tax charge recalculated at the French standard rate	28,613	32,240
Tax at reduced rate	2,467	2,259
<i>Difference in standard rate in foreign countries</i>	– 13,106	– 13,999
<i>Tax losses for the year, unrecognised in previous periods, deficits used</i>	996	422
Effect of the rate difference	– 12,111	– 13,576
Tax credits	– 1,841	– 1,912
Other taxes and miscellaneous	– 655	2,530
<b>Group tax</b>	<b>16,473</b>	<b>21,540</b>
<b>Effective rate</b>	<b>16.37%</b>	<b>18.85%</b>

The results taxed at a **reduced rate** involve royalties, which were taxed at 15.5% (unchanged from 2016).

The main countries that contributed to the **difference in the tax rate** were Tunisia (€8.8 million), Germany (€0.6 million), other European countries (€2.9 million) and Middle Eastern countries (€1.1 million).

**Tax credits** were primarily affected by the SOPEM tax credit (Poland): €1.6 million at both 30 June 2017 and 30 June 2016.

**Other taxes and miscellaneous items** includes the CVAE tax of €1.7 million and €1.6 million for the periods ended 30 June 2017 and 30 June 2016 respectively, as well as the 3% contribution on dividends of €1.3 million at 30 June 2017 and €1.1 million at 30 June 2016. This item also includes an income tax rebate of €3.6 million secured by Somfy SA and connected with the offsetting of the 5% share of fees and expenses on dividends received from the European subsidiaries (years 2010 to 2013). Accrued income of €0.8 million was also recorded by Somfy SA concerning a claim against the tax authorities which followed a decision by the Conseil d'État in June 2017 specifying that the 12% taxation of the share of fees and expenses must apply to the net capital gains derived from the sale of equity securities. Lastly, Somfy SA has submitted other tax claims related to the 3% contribution on dividends (paid in 2014, 2015 and 2016) for which no accrued income has yet been recognised at 30 June 2017.

Restated for non-recurring items (income tax rebates), the effective tax rate was 20.8% at 30 June 2017.

## NOTE 13 – INVESTMENTS IN ASSOCIATES

€ thousands	30/06/17	31/12/16
Investments in associates at the beginning of the period	1,880	2,258
Change in scope of consolidation and other	2	–
Share of profit/(loss) from associates	– 204	– 684
Dividends paid	–	–
Changes in foreign exchange rates	– 84	306
<b>INVESTMENTS IN ASSOCIATES AT THE END OF THE PERIOD</b>	<b>1,594</b>	<b>1,880</b>

“Investments in associates” consists of investments in Neocontrol and Arve Finance.

## NOTE 14 – LIST OF CONSOLIDATED ENTITIES

Company name	Head office	% control 30/06/17	% interest 30/06/17	% interest 31/12/16
Somfy SA	74300 Cluses (France)	(parent company)	(parent company)	(parent company)
<b>Fully-consolidated companies</b>				
Somfy Activités SA	Cluses (France)	100.00	100.00	100.00
CMC SARL	Cluses (France)	100.00	100.00	100.00
Somfybat SNC	Cluses (France)	100.00	100.00	100.00
Domis SA	Rumilly (France)	100.00	100.00	100.00
Stor'm	Saint Clair de la Tour (France)	100.00	100.00	100.00
SITEM SARL	Zaghouan (Tunisia)	100.00	100.00	100.00
SITEM Services SARL	Zaghouan (Tunisia)	100.00	100.00	100.00
SOPEM	Krakow (Poland)	100.00	100.00	100.00
Somfy Eastern Europe Area SP. Zoo	Warsaw (Poland)	100.00	100.00	100.00
Somfy Ltd	Yeadon (UK)	100.00	100.00	100.00
Somfy PTY Ltd	Rydalmere (Australia)	100.00	100.00	100.00
Somfy Automation Services PTY Ltd	Rydalmere (Australia)	100.00	100.00	100.00
NV Somfy SA	Zaventem (Belgium)	100.00	100.00	100.00
Somfy Brazil LTDA	Sao Paulo (Brazil)	100.00	100.00	100.00
Somfy Columbia SAS	Bogota (Colombia)	100.00	100.00	100.00
Somfy Argentina	Buenos Aires (Argentina)	100.00	100.00	100.00
GABR Participações LTDA	Sao Paulo (Brazil)	100.00	100.00	100.00
Somfy GmbH	Rottenburg (Germany)	100.00	100.00	100.00
HIMOTION BV	Leiden (Netherlands)	100.00	100.00	100.00
Somfy GmbH	Elsbethen-Glasenbach (Austria)	100.00	100.00	100.00
Somfy KFT	Budapest (Hungary)	100.00	100.00	100.00
Somfy Sp zoo	Warsaw (Poland)	100.00	100.00	100.00
Somfy Spol sro	Prague (Czech Republic)	100.00	100.00	100.00
SC Somfy SRL	Brasov (Roumania)	100.00	100.00	100.00
Somfy LLC	Moscow (Russia)	100.00	100.00	100.00
Somfy SIA	Riga (Latvia)	100.00	100.00	100.00
Somfy LLC	Kiev (Ukraine)	100.00	100.00	100.00
Somfy Bulgaria AD	Sofia (Bulgaria)	100.00	100.00	100.00
Somfy Joo	Seoul (Korea)	100.00	100.00	100.00
Somfy Italia SRL	Milan (Italy)	100.00	100.00	100.00
Somfy Nederland BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
Somfy España SA	Barcelona (Spain)	100.00	100.00	100.00
Automatismos Pujol SL	Barcelona (Spain)	100.00	100.00	100.00
Automatismos Pujol Portugal Lda	Esmoriz (Portugal)	100.00	100.00	100.00
Sistemi Automatici Pujol SAP SRL	Pavona (Italy)	100.00	100.00	100.00
Somfy Systems Inc.	Cranbury NJ (US)	100.00	100.00	100.00
Somfy AG	Bassersdorf (Switzerland)	100.00	100.00	100.00
Somfy Sweden AB	Limhamn (Sweden)	100.00	100.00	100.00
Somfy Norway AS	Skedsmokorset (Norway)	100.00	100.00	100.00
Somfy PTE Ltd	Singapore	100.00	100.00	100.00
Somfy Thailand	Bangkok (Thailand)	100.00	100.00	100.00
Somfy Taiwan Co Ltd	Taipei (Taiwan)	100.00	100.00	100.00
Asian Capital International LTD	Hong Kong	100.00	100.00	100.00

Company name	Head office	% control 30/06/17	% interest 30/06/17	% interest 31/12/16
Sino Global International Holdings LTD	Hong Kong	100.00	100.00	100.00
Sino Link Trading LTD	Hong Kong	100.00	100.00	100.00
Hong Kong CTLT Trade Co. LTD	Hong Kong	70.00	70.00	70.00
Somfy Asia-Pacific Co Ltd	Hong Kong	100.00	100.00	100.00
Dooya China	Ningbo (China)	70.00	70.00	70.00
Shanghai Zhengshang Co., Ltd	Shanghai (China)	70.00	70.00	70.00
Shanghai Branch	Shanghai (China)	70.00	70.00	70.00
Hui Gong Intelligence Technology LTD	Shanghai (China)	70.00	70.00	70.00
New Unity LTD	Hong Kong	70.00	70.00	70.00
Ningbo Sleepwell Co Ltd	Ningbo (China)	70.00	70.00	70.00
Somfy Co Ltd	Hong Kong	100.00	100.00	100.00
Somfy China Co Ltd	Shanghai (China)	100.00	100.00	100.00
LianDa	Zhejiang (China)	95.00	95.00	95.00
Baixing Co Ltd	Ningbo (China)	70.00	70.00	70.00
Herzborg Technology	Ningbo (China)	70.00	70.00	70.00
Shanghai Goodnight	Ningbo (China)	70.00	70.00	70.00
Somfy Middle East Co Ltd	Limassol (Republic of Cyprus)	100.00	100.00	100.00
Somfy Egypt	Cairo (Egypt)	100.00	100.00	100.00
Sisa Home Automation Ltd	Rishone Le Zion (Israel)	100.00	100.00	100.00
Somfy Maroc SARL	Casablanca (Morocco)	100.00	100.00	100.00
Somfy Hellas SA	Acharnae (Greece)	100.00	100.00	100.00
Somfy Ev Otomasyon Sistemleri Ticaret Ltd Sti	Istanbul (Turkey)	100.00	100.00	100.00
Somfy South Africa (PTY) Limited	Durban (South Africa)	100.00	100.00	100.00
Somfy Tunisie	Tunis (Tunisia)	100.00	100.00	100.00
Somfy Tunisie Services	Tunis (Tunisia)	50.00	50.00	50.00
Somfy Mexico SA DE CV	Tlalnepantla (Mexico)	100.00	100.00	100.00
Syservmex	Tlalnepantla (Mexico)	100.00	100.00	100.00
Somfy K.K.	Tokyo (Japan)	100.00	100.00	100.00
Somfy India Pvt Ltd	New Dehli (India)	100.00	100.00	100.00
PROMOFI BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
FIGEST BV	Leiden (Netherlands)	100.00	100.00	100.00
Somfy LLC USA	Dover (US)	100.00	100.00	100.00
Somfy ULC	Halifax (Canada)	100.00	100.00	100.00
Simu SAS	Gray (France)	100.00	100.00	100.00
Simu GmbH	Iserlohn (Germany)	100.00	100.00	100.00
WAY SRL	Galliera (Italy)	100.00	100.00	100.00
Overkiz SAS	Archamps (France)	96.63	96.63	96.63
Opendoors SAS	Cluses (France)	100.00	100.00	100.00
iHome Systems (Asia Limited)	Hong Kong	51.00	51.00	51.00
iHome Systems (Thailand) Co. Ltd	Bangkok (Thailand)	51.00	51.00	51.00
Intelligent Home Systems (MY) Sdn. Bhd	Kuala Lumpur (Malaysia)	51.00	51.00	51.00
iHome Systems (SG) Pte. Ltd	Singapore	51.00	51.00	51.00
Somfy Protect by Myfox SAS	Labège (France)	100.00	100.00	100.00
Myfox Inc	Campbell (US)	100.00	100.00	100.00
SEM-T SASU	Cluses (France)	100.00	100.00	100.00
DSG Coordination Center SA	Geneva (Switzerland)	100.00	100.00	100.00
TTMD SA	Geneva (Switzerland)	100.00	100.00	100.00
BFT SpA	Schio (Italy)	100.00	100.00	100.00



Company name	Head office	% control 30/06/17	% interest 30/06/17	% interest 31/12/16
Automatismes BFT France SAS	Saint-Priest (France)	100.00	100.00	100.00
BFT Group Italiberica de Automatismos SL	Barcelona (Spain)	99.02	99.02	99.02
BFT Antriebssysteme GmbH	Furth (Germany)	100.00	100.00	100.00
BFT Automation UK Ltd	Stockport (UK)	100.00	100.00	100.00
BFT Benelux SA	Nivelles (Belgium)	100.00	100.00	100.00
BFT Adria d.o.o.	Drazice (Croatia)	100.00	100.00	100.00
BFT Polska Sp zoo	Zielonka (Poland)	100.00	100.00	100.00
SACS SRL	Borgo Valsugana (Italy)	100.00	100.00	100.00
BFT Americas Inc.	Boca Raton (US)	100.00	100.00	100.00
BFT Portugal SA	Coimbra (Portugal)	100.00	100.00	100.00
BFT Automation (South) Ltd	Berkshire (UK)	100.00	100.00	100.00
BFT Automation Australia PTY	Sydney (Australia)	100.00	100.00	100.00
BFT CZ Sro	Prague (Czech Republic)	100.00	100.00	100.00
BFT Piemonte SRL	Dronero (Italy)	—	—	100.00
O&O SRL	Corregio (Italy)	100.00	100.00	100.00
BFT Veneto SRL	Schio (Italy)	100.00	100.00	100.00
BFT Otomasyon Kapi	Istanbul (Turkey)	100.00	100.00	100.00
BFT Istanbul	Istanbul (Turkey)	100.00	100.00	100.00
BFT Greece	Athens (Greece)	100.00	100.00	100.00
BFT Automation Ireland	Dublin (Ireland)	100.00	100.00	100.00
BFT Automation Systems PTL	Hyderabad (India)	51.00	51.00	51.00
Nord Logistica E Servizi SRL	Schio (Italy)	100.00	100.00	100.00
BFT Middle East FZO	Dubai (United Arab Emirates)	100.00	100.00	100.00
BFT Auto Gate and Door (Shanghai) Co. Ltd	Shanghai (China)	100.00	100.00	100.00
BFT Gates and Doors SRL	Bucharest (Romania)	100.00	100.00	100.00
BFT Automation New Zealand	Auckland (New Zealand)	100.00	100.00	100.00
BFT Sud Est SAS	Saint Laurent du Var (France)	100.00	100.00	100.00
BFT Lazio SRL	Rome (Italy)	—	—	100.00
BFT Automatech Italia SRL	Verona (Italy)	100.00	100.00	100.00
<b>Equity-accounted companies</b>				
Arve Finance	Cluses (France)	50.17	50.17	50.17
Neocontrol	Belo Horizonte (Brazil)	61.00	61.00	61.00

# 03

## STATUTORY AUDITORS' REPORT ON THE 2017 INTERIM FINANCIAL REPORT

# 03

## STATUTORY AUDITORS' REPORT ON THE 2017 INTERIM FINANCIAL REPORT

To the Shareholders,

In compliance with the assignment entrusted to us at your General Meeting and pursuant to Article L. 451-1-2 III of the Monetary and Financial Code, we have proceeded with:

- A limited review of the accompanying condensed consolidated interim financial statements of the company Somfy SA, for the period from 1 January to 30 June 2017;
- A review of the information disclosed in the half-year business report.

Your Management Board is responsible for the preparation of the condensed consolidated interim financial statements. It is our responsibility to express an opinion on these financial statements on the basis of our limited review.

### OPINION ON THE FINANCIAL STATEMENTS

We have conducted our limited review in accordance with professional auditing standards applicable in France. A limited review consists principally of making inquiries of persons responsible for financial and accounting matters and applying analytical procedures. The scope is substantially less than an audit conducted in accordance with professional auditing standards applicable in France. Consequently, this review can only provide reasonable assurance, to a lesser degree than an audit, as to whether the interim financial statements are free of material misstatements.

Based on our limited review, nothing has come to our attention that would challenge the compliance of the condensed consolidated interim financial statements with IAS 34 – a standard of the IFRS framework relating to interim financial reporting as adopted within the European Union.

### SPECIFIC VERIFICATION

We have also verified the information disclosed in the half-year business report commenting on the condensed consolidated interim financial statements, which were the subject of our limited review.

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

Lyon, 6 September 2017

The Statutory Auditors

KPMG Audit  
A division of KPMG SA  
Stéphane Devin  
Partner

ERNST & YOUNG et Autres  
Lionel Denjean  
Partner

# 04

## STATEMENT FROM THE INDIVIDUAL RESPONSIBLE FOR THE 2017 HALF-YEAR FINANCIAL REPORT

# 04

## STATEMENT FROM THE INDIVIDUAL RESPONSIBLE FOR THE 2017 HALF-YEAR FINANCIAL REPORT

I certify that, to the best of my knowledge, the condensed consolidated interim financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the net equity position, financial position and financial performance of the company and all companies included in the consolidation, and that the half-year business report gives a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions carried out between related parties, as well as a description of the major risks and uncertainties for the remaining six months of the financial year.

Cluses, 6 September 2017

Pierre RIBEIRO  
Group CFO



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