2004

somfy

CONTENTS

PROFILE

1 BUSINESS: automated opening and closing systems for houses and commercial buildings.

1 NETWORK of 45 subsidiaries and 19 offices across all **5 CONTINENTS**.

1 high-volume **INDUSTRIAL INFRASTRUCTURE**.
7 assembly **PLANTS,** including 4 main sites in Cluses, Gray, Saint Rémy de Maurienne and Bologna.

5 DEVELOPMENT PLATFORMS
3 in France, 1 in Germany, 1 in the USA.

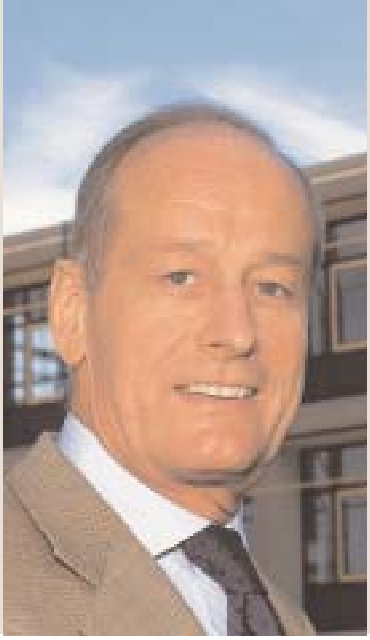
1 CONSUMER BRAND,
5 PROFESSIONAL BRANDS.

SOMFY AUTOMATES ALL OPENINGS IN HOUSES AND COMMERCIAL BUILDINGS

3 257
EMPLOYEES

SALES OF
569.1
MILLION EUROS

OPERATING INCOME OF
114.0
MILLION EUROS



Our strategy aims to balance our long-term vision of building the future with positive results achieved in the short term.

Paul Georges Despature

CHAIRMAN OF THE BOARD

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Growth in 2004 was good worldwide but unevenly distributed, with the United States and Asia turning in vigorous economic performances, whilst Europe produced more modest results. Somfy had an excellent year, with sustained growth in business and results rising faster than sales.

Our global presence gave us a positive advantage, especially in regions experiencing strong growth, such as the USA (17%) and Asia (16%), with our teams in 45 countries able to provide tailor-made solutions direct to our customers all over the world.

This commercial network provides Somfy with a unique international reach and culture in its market. We decided early on to enter the big markets of the future and this has put us in a position to exploit the strong potential in these regions.

To get even closer to the end-user we have decided to upgrade our consumer brand, by linking it to new, more emotional, values, which complement the technical values on which our reputation is based. Supported by significant, long-term media investment, the Somfy brand will bolster its position as the Group's strategic asset.

The arrival of BFT in 2004 marked a further step towards our ambition to expand the automatic doors and gates market, which complements our original business. With its professional, entrepreneurial culture, BFT has a well-deserved reputation and we have high hopes for its future.

We believe in the potential of our markets, and are preparing for a new growth cycle with the launch of strategic projects for 2005 and 2006, in line with the balance we need to strike between the creation of a future based on a long-term vision, and our self-imposed requirement to achieve good results every year.

Somfy is in a position to exploit growth potential in all its businesses.

Wilfrid Le Naour
CEO

MESSAGE FROM THE CEO

In a worldwide environment marked by economic recovery and improved conditions on the construction market, Somfy announced excellent results for 2004.

The first half produced a top-level performance, followed by a slowdown in the latter part of the year, which reflects the traditional pattern of business in our sector. All areas in which the Group operates showed positive growth, and sales increased by 7.6% over the year.

Driven by the rise in volumes, an improved product mix and continued streamlining of production costs, our operating income grew by 17%. Underlining the quality of these results are a number of projects that tapped into the skills and commitment of Somfy's workforce, including:

- the expansion of our commercial presence, with a new subsidiary in Turkey and new offices in Asia;
- the ongoing integration of BFT, which marks a first step in our development strategy on the market for automatic garage doors and gates;
- our continued search for synergies, with the creation of WAY, optimising our industrial network and revitalising the Asa and Mingardi brands.

Economic and monetary uncertainties dictate a cautious approach to 2005, but Somfy is launching a new cycle of investments for 2005 and 2006, designed to consolidate our business model and to adapt our organisation to the challenges of the future.

We are preparing several launches for late 2005 and early 2006, to boost our policy of product innovation.

We are also pursuing two goals in our drive for industrial excellence:

- cutting costs, by making substantial investments in assembly and rationalising our supplier panel;
- modernising our logistics, with the launch of a new platform.

In terms of marketing, a media investment programme running for several years has been defined for the Somfy consumer brand.

Finally, in the field of automatic doors and gates, we have created new BFT subsidiaries to increase the brand's geographical coverage.

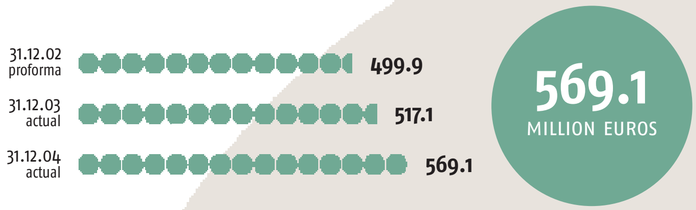
The implementation of these projects, along with our investments in recruitment and training, will enable us to seize growth potential in all our markets.

SOMFY IN FIGURES

SALES

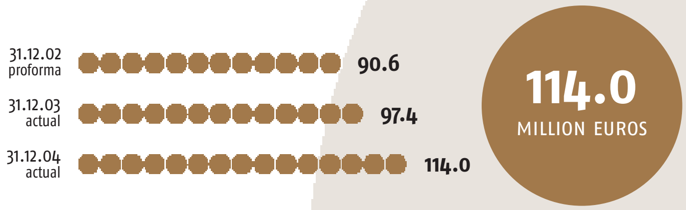
Consolidated reported sales grew by 10.1% (7.6% like for like-at constant exchange rates and excluding BFT, acquired in 2004, and Gaviota, which was consolidated using the equity method in 2004 against proportional consolidation in 2003).

The first half was particularly dynamic, recording growth of 12.8% like for like, while the slower second half was hit by a negative base effect (up 1.8% like for like).



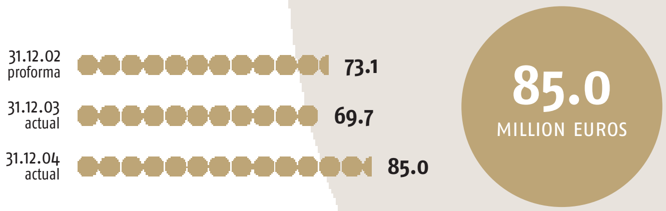
OPERATING INCOME

At 17.0%, the rise in operating income was higher than that in sales, and came to 20% of sales, or 1.2 points higher than in 2003.
Coverage of committed costs engendered by growth improved and purchasing performance was further optimised, despite the poor conditions on the raw materials market. Overall performance was also supported by the positive contribution of the rise of wireless motors to the product mix, while the drive to reduce selling prices continued.



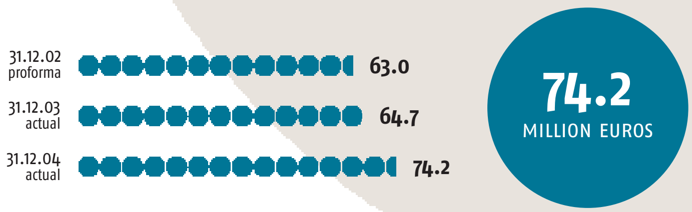
NET INCOME
Before goodwill amortisation

At 14.9% of sales, up 2.4 points, grew by net income 22.3%, compared to 2003.
Companies consolidated using the equity method (FAAC, Gaviota and Devianne) more than doubled their contribution, largely offsetting the slightly negative financial and exceptional income.



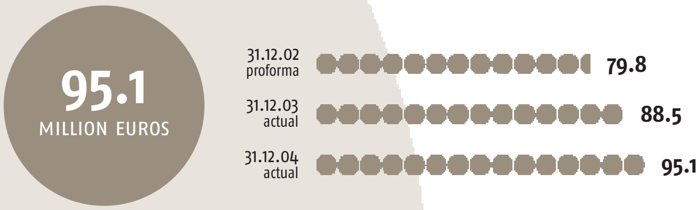
NET INCOME

Net income was up by 14.7%, at 13.0% of sales. Goodwill amortisation included the acquisition of BFT, over 9 months.



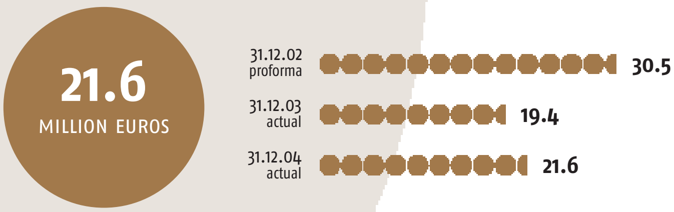
SALES BY GEOGRAPHIC ZONE

	2003	2004	% change	% change (at constant rates)
France	152.9	170.5	11.5%	6.7%
Germany	83.7	87.8	4.9%	4.3%
Northern Europe	78.2	86.4	10.5%	6.4%
Central Europe	31.0	34.8	12.3%	3.3%
Southern Europe	92.3	102.0	10.5%	7.0%
Asia-Pacific	27.2	30.8	13.2%	16.4%
Americas	51.8	56.8	9.7%	17.3%
Total	517.1	569.1	10.1%	7.6%



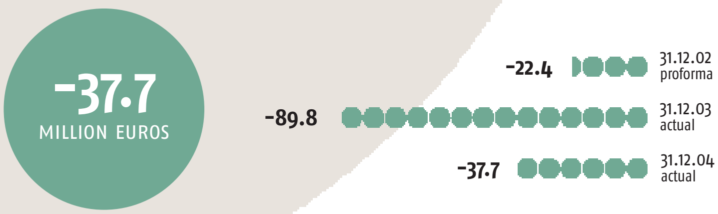
CASHFLOW FROM OPERATING ACTIVITIES

Cashflow from operating activities grew by 7.6%.



INDUSTRIAL AND COMMERCIAL INVESTMENTS

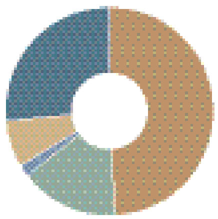
As in 2003, the level of investment was restrained, growing by just 11.3% in terms of value. With several industrial, logistic and commercial projects in the pipeline, this level will rise in 2005.



NET DEBT
(“-” = EXCESS CASH)

Despite the cash-funded acquisition of BFT, the year closed on a net financial surplus, thanks to a high cashflow level and moderate requirements of investments and working capital.

SHAREHOLDER RELATIONS

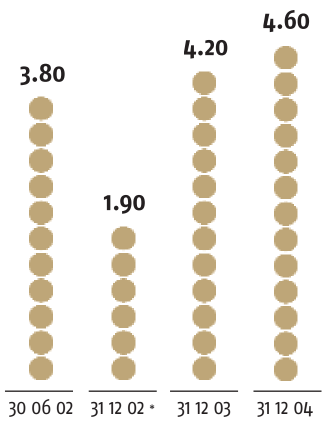


- 49.2% JPJ
- 15.2% Despature family
- 1.8% SOMFY
- 7.3% FAAC Spa
- 26.5% Free float

BREAKDOWN OF CAPITAL in %

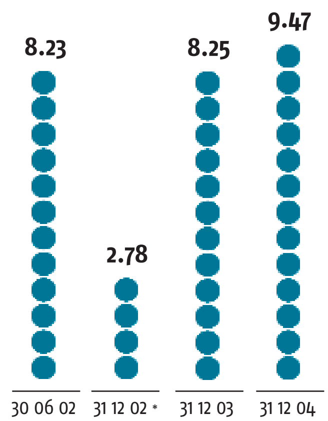
CAPITAL

At 31 December 2004, Somfy's capital amounted to 7 836 800 euros, divided into 7 836 800 shares with a nominal value of one euro, fully paid up and all in the same class.
The company has not issued any securities giving rights to capital.
Stock options that may be exercised after 31 December 2004 are purchase options. As authorised, the company owned 137 884 Somfy shares at 31 December 2004.



NET DIVIDEND

* Six-month accounting period.



NET INCOME

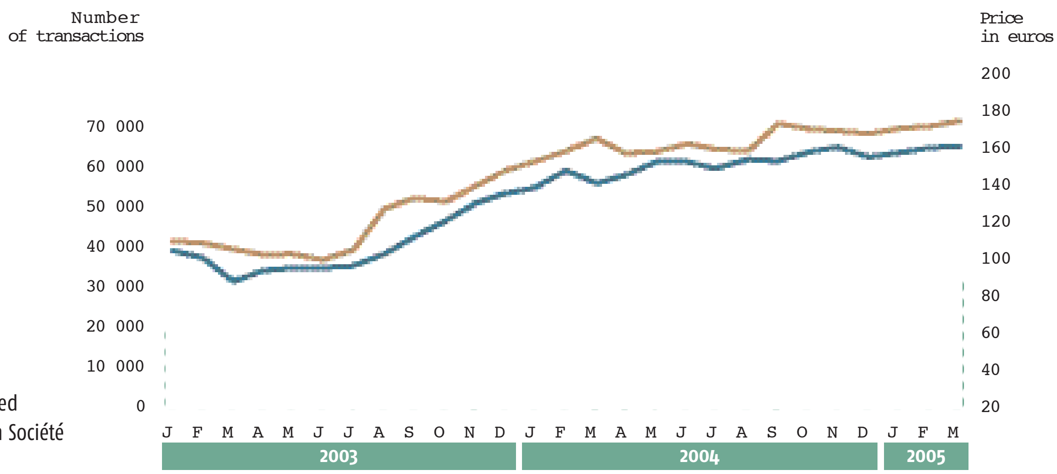
* Six-month accounting period.

LISTING

Eurolist of Euronext Paris
Compartment A
ISIN Code: FR 0000120495

AGREEMENT

On 2 December 2002, Somfy SA signed a liquidity provider agreement with Société Générale Securities.



SOMFY SHARE PRICE

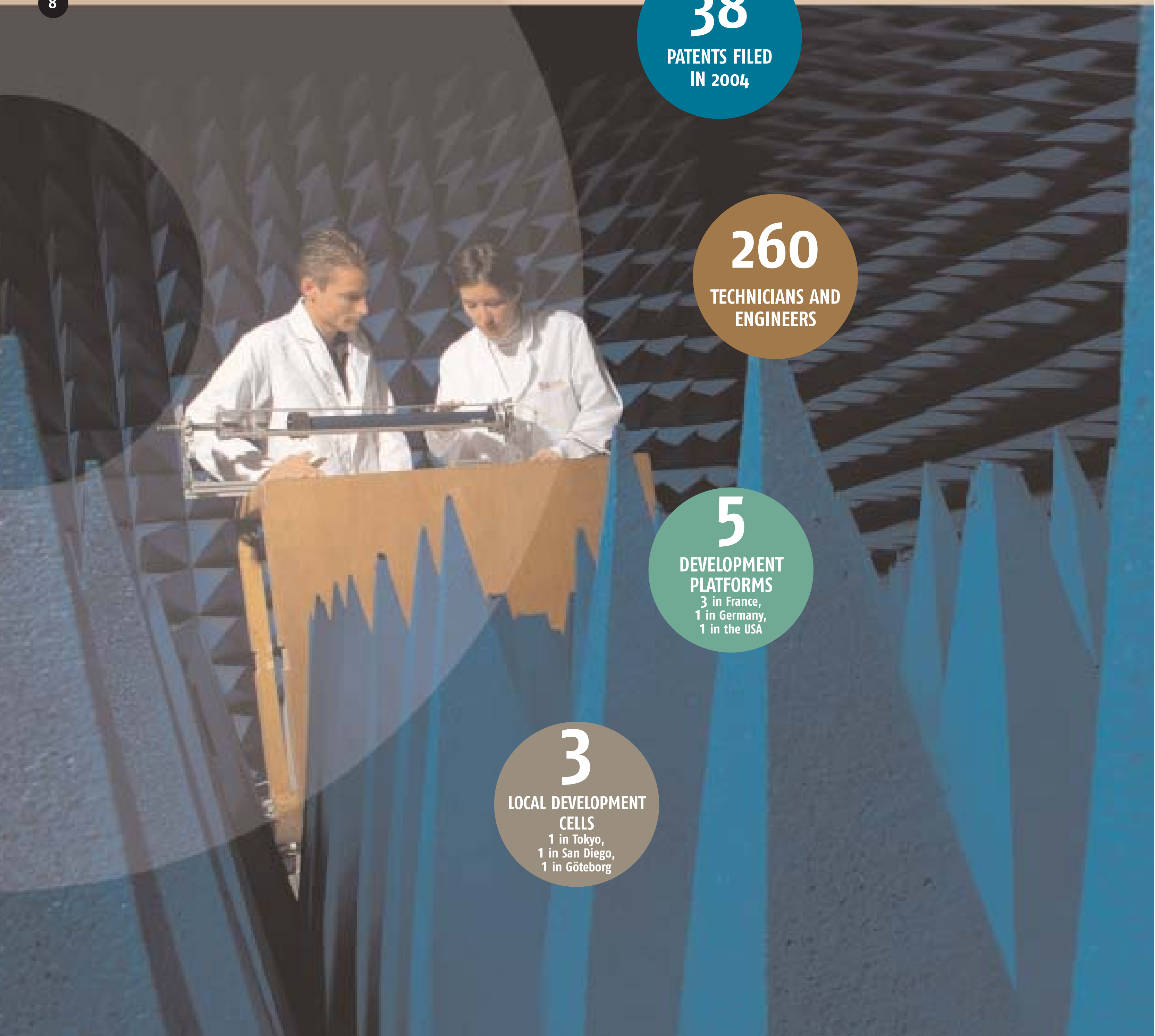
- Monthly transactions (number of shares)
- Highest share price
- Lowest share price

2004
STRATEGIC AXIS



- Innovating to develop the market
- Meeting the requirements of competitiveness
- Boosting global presence
- Satisfying the consumer
- Mobilising skills

INNOVATING
TO DEVELOP THE MARKET



38
PATENTS FILED IN 2004

260
TECHNICIANS AND ENGINEERS

5
DEVELOPMENT PLATFORMS
3 in France,
1 in Germany,
1 in the USA

3
LOCAL DEVELOPMENT CELLS
1 in Tokyo,
1 in San Diego,
1 in Göteborg

Innovation feeds growth by developing the market, creating value for the customer and anticipating users' needs.

Anticipating users' needs

The Group's innovation and development strategy is geared towards anticipating user needs by meeting three goals:

- accelerating the motorisation rate and encouraging use of automatic controls by creating accessible solutions that are easy to integrate on all kinds of roller shutters;
- adding new functions to the current motorisation range in order to offer the end-user additional benefits: easy to sell, to integrate and to install;
- meeting emerging domestic needs as expressed by specifiers and architects, by developing wirelessly interlinked applications that can meet users' expectations in terms of safety and well-being.

Expanding the product portfolio

In 2004, Somfy's development strategy led to the expansion of the product portfolio.
By bringing innovative new functions to the roller shutter market and adding value for installers and manufacturers, Oximo RTS, the integrated wireless motor, has succeeded in all its markets, especially in those with a high motorisation rate, such as France and Germany.

Overall, Radio Technology Somfy™-incorporated into all the Group's ranges and motors-has made a significant contribution to boosting the market for automatic controls. In 2004, sales of wireless motors progressed faster than traditional motors.

Towards the architecture of the future

In the office building sector, Animeo, a complete solution for small and medium size buildings, was very successful in 2004, with 80 installation projects.
The advantages of this system in terms of energy savings and environmental comfort help to meet the challenges posed by the implementation of the Kyoto directive, scheduled for 2006.
Somfy has teamed up with university researchers, specifiers and architects in specialised programmes examining the harmonisation of houses and buildings with the environment beyond this directive.

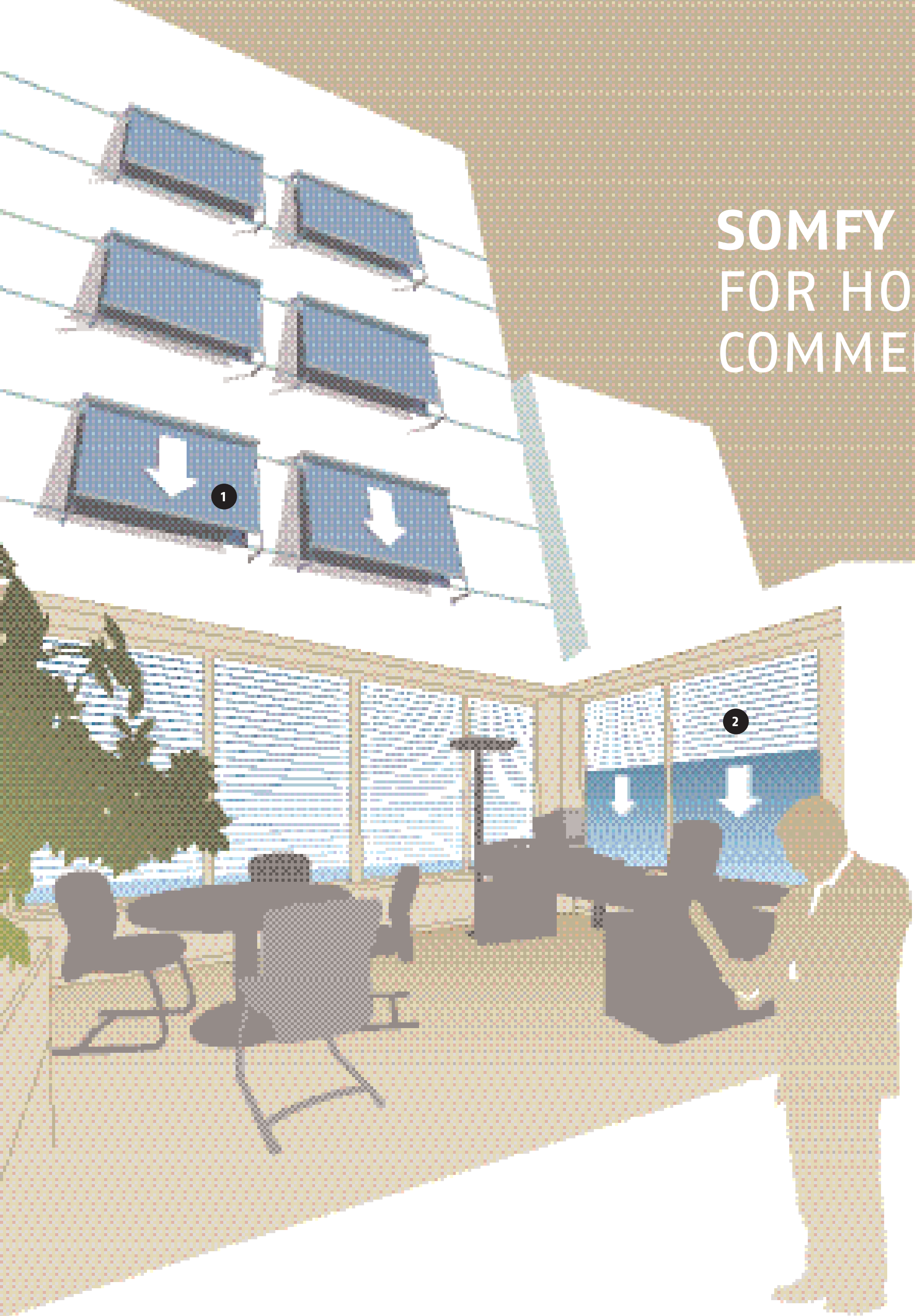
Preparing innovation in 2005 and 2006

A new cycle of innovations has been planned, in order to push a number of new products through the pipeline, leading the Research and Development Division to increase its headcount in 2004.

Various development processes have been revised, in order to:

- detect new trends further upstream;
- provide fast solutions to the needs expressed by customers;
- reduce time to market for innovations.

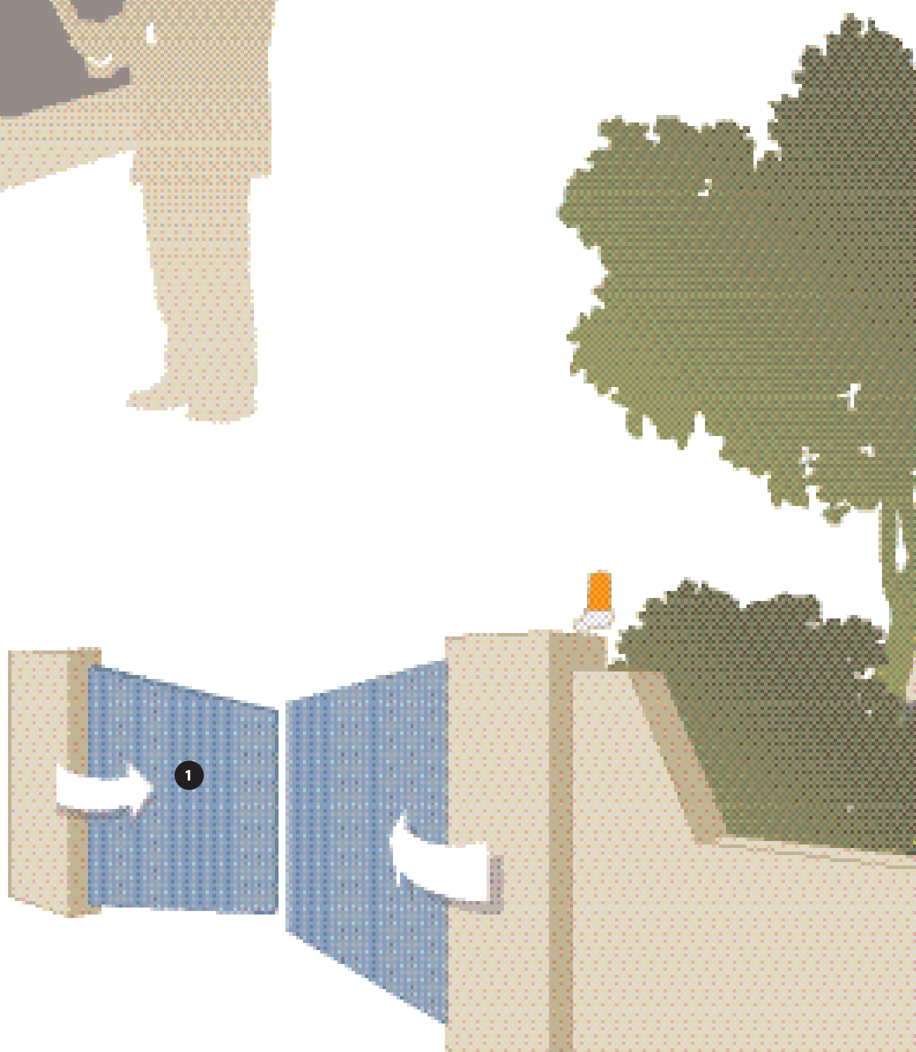
Somfy has also strengthened its policy of systematic protection of intellectual property.



SOMFY SOLUTIONS FOR HOUSES AND COMMERCIAL BUILDINGS

1 >>> Complete solutions for automatic control of commercial building facades: improving the visual and thermal comfort of the occupants, while reducing the building's energy requirements.

2 >>> Users can control their environment with individual controls.



1 >>> Automatic gates:
For simple, safe daily use.

Somfy coordinates all relevant technologies, motors, controls and automation for any type of opening in houses and commercial buildings.

2 >>> Automatic awnings:
in tune with the weather, effortlessly controlled, for greater comfort.
Awning protection.

3 >>> Motorisation of roller shutters. Safety and energy savings.

4 >>> Blind motorisation:
Light and interior decoration management.

5 >>> Automated garage doors:
For safe and easy daily use, time saving.

6 >>> Central control:
Wireless technology enables occupants to control all the openings in the house with a single remote control.

MEETING THE REQUIREMENTS OF COMPETITIVENESS

YEAR 2000
ISO 9001
CERTIFICATION

42 000
MOTORS PER DAY

CUSTOMER RETURN RATE BELOW
0.6%

To build solid growth, continuously improving competitiveness is essential. The Group has sharpened its competitive edge and gained in operational efficiency by pushing reductions in production costs and generating industrial synergies. In passing a large part of these gains on to the market, Somfy has been able to bring the cost of motorisation down to a level accessible to most users.

A high-volume industrial infrastructure

Somfy's industrial facilities were designed to handle large volumes, and can process 4 million parts a day. The process is focussed on the final assembly and product customisation, supported upstream by a network of specialist suppliers. Since implementing the concept of industrial sub-assembly, Somfy has been able to produce a differentiated, segmented offer with all the cost and structural advantages of high volumes.

Anticipating growth

The Group's network of seven assembly plants provides it with a daily production capacity of 42 000 motors. Strong growth in yearly volumes has encouraged Somfy to look ahead and constantly plan its industrial development. The industrial site at Gray, which is currently undergoing extension work, will be fully open in mid-2005 with a surface area of 15 000 m².
In 2005, the Group will open a new 5 000 m² factory in Tunisia, for the production of stators and the assembly of finished products.

Improving responsiveness

In order to keep its promise of 48-hour delivery, the company has created a flexible and responsive logistical system, based on a centre in Cluses delivering to a network of 40 warehouses worldwide. The rise in distribution volumes and the emergence of new distribution channels and territories have led the Group to upgrade its logistics. The construction of a new logistics site was launched in 2004. This 25 000 m² site, in Bonneville in Haute-Savoie, France, will be designed to improve costs and customer service quality.

Generating industrial synergies

The external growth strategy is guided by a search for industrial synergies in three key areas:

- purchasing, aimed at reducing the supplier panel to 500;
- product cost reduction via reengineering and component standardisation;
- integration of the production units of acquired companies into the industrial network.

The merger of Mingardi and Asa led to the creation of WAY in 2004. This operation provided an opportunity to rationalise WAY's industrial facilities and to incorporate it into the Group's network.

BOOSTING
GLOBAL PRESENCE

20 000
CUSTOMERS WORLDWIDE

14 000
PROFESSIONAL INSTALLERS

1 000
EMPLOYEES IN MARKETING AND DISTRIBUTION

With the creation of a Turkish subsidiary in April 2004 and the opening of five new offices in Asia and the Middle East, Somfy is accelerating its development in these markets with strong growth potential. With a network of 45 subsidiaries in 45 countries, Somfy relies on a strong local presence to respond to different market conditions. The staff, generally recruited locally, use their market knowledge to meet the performance and quality expectations of 20 000 customers throughout the world.

SUSTAINED GROWTH IN ALL MARKETS

FRANCE
Satisfying an increasingly diverse customer profile

France has recorded significant growth of 6.7%.
In order to boost its position on a mature market and to meet increasingly diverse customer expectations, the Group's companies are developing a differentiated business strategy, launching a customer service department, signing partnerships with residential building contractors and co-marketing deals with roller shutter manufacturers, and training and certifying installers via Expert and Partner professional networks.
In this context the training centre at Simu welcomed 2 000 customers in 2004.

GERMANY
Economic recovery

After a difficult year in 2003, Germany's construction industry returned to positive growth in 2004. Somfy Germany restructured its sales team and displayed growth of 4.3%.

The integrated wireless motor Oximo RTS posted strong growth after a marketing campaign, and the launch of Somfy Experts boosted the installer network.

SOUTHERN EUROPE
Dynamic growth in roller shutters

This area stretches as far as the Middle East and North-West Africa, and accounts for 50% of all roller shutters in the world. 2004 was marked by strong growth in Spain and the recovery of the Italian market at the end of the year. In a competitive Spanish market, sales in integrated wireless motor ranges were driven by marketing campaigns aimed at businesses and consumers. 60 000 units were sold in 2004. The successful launch on the Italian market of Animeo, automatic controls for office buildings, coincided with closer relations with specifiers and architects.

NORTHERN EUROPE
Somfy moves into DIY stores

Growth in Northern Europe came to 6.4% in 2004, driven by strong performance in the United Kingdom, consolidation in Scandinavia and the recovery of Benelux. On a market with a high motorisation rate for awnings, Somfy expanded in DIY stores and reorganised its installer networks in the Netherlands.

CENTRAL EUROPE
Solid fundamentals

Central Europe is a market that Somfy needs to develop: 2004 saw strong growth in the Czech Republic, Poland and Russia. The Group has been present here since 1998 and is exploiting every opportunity to draw on the region's dynamic potential. 500 professional installers have been trained in the Czech Republic, and in Poland Somfy has made a name for itself in DIY stores.

BFT INTEGRATION
A KEY STEP IN THE DEVELOPMENT OF AUTOMATIC CONTROLS FOR DOORS AND GATES

The Italian company BFT joined Somfy in 2004.
BFT ranks fourth on the European market and specialises in the automatic control of doors and gates.

Becoming a major market player

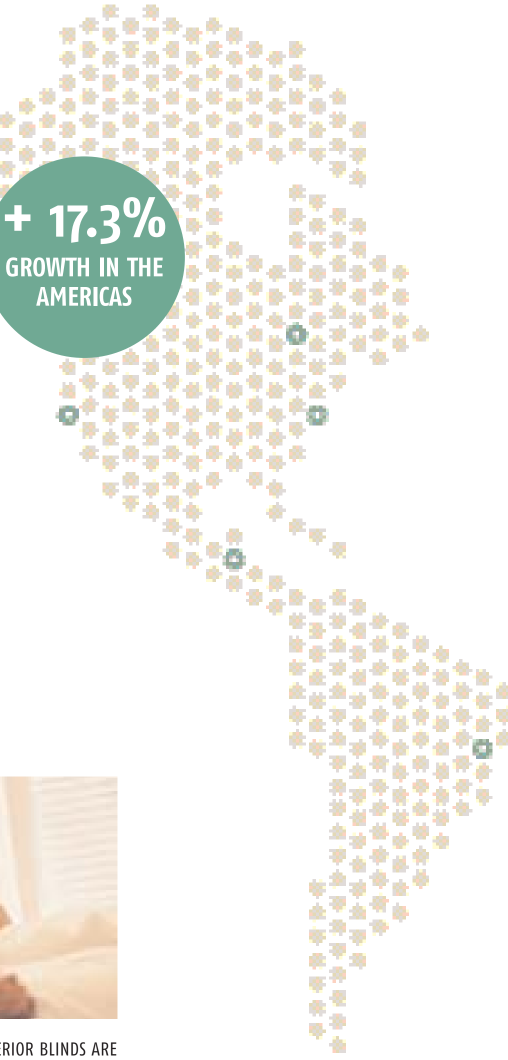
This acquisition is an important step for Somfy in fulfilling its ambition of becoming a major player in the market for automatic controls for doors and gates. The integration of BFT should enable Somfy to rise to the challenges of this market- internationalisation, increased needs in the collective housing market and the rise of global solutions in the home market.

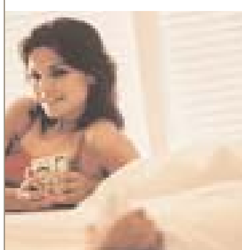
THE AMERICAS
Strong growth in blinds and decoration

The Group saw strong growth in this region, at 17.3%.
In the United States, the development of the blinds market and window decoration contributed to this rise. A vigorous innovation policy, involving the creation of a Design Centre and innovative motorisation systems based on wireless technology, also enabled the Group's companies, Somfy Systems and Harmonic Design, to draw on the high potential of this market. In Florida, the expansion of roller shutters to protect against hurricanes has made a significant contribution to business.

ASIA-PACIFIC
Huge growth potential

This multifaceted region is a huge source of untapped growth. Sales rose by 16.4% in 2004.
Anticipating the growth of these emerging markets, Somfy stepped up its presence here in 2004 with a new subsidiary in Bangkok, a Chinese office in Chengdu, in Sichuan, an Indian office in Bangalore, and one in Kuala Lumpur, in Malaysia.
In addition to major office buildings, the housing market has started to develop in China. To seize the opportunities presented by this market, the Group is strengthening its positions with the implementation of more structured business networks and the launch of specification and communication action plans.
After opening an assembly workshop in 2003, Somfy has created a brand dedicated to the Chinese market-the very competitively priced Jing Hua.





15 MILLION INTERIOR BLINDS ARE INSTALLED IN THE **UNITED STATES** EVERY YEAR.

The merger between Somfy and BFT is founded on their complementary ranges and distribution networks.

BFT is present in wholesale electrician and specialist installer networks. The company has thorough knowledge of this business and a successful history, as illustrated by the quality of its products and services.

Integration based on the search for synergies

The integration of BFT, which was initiated in 2004, is guided by three main principles:

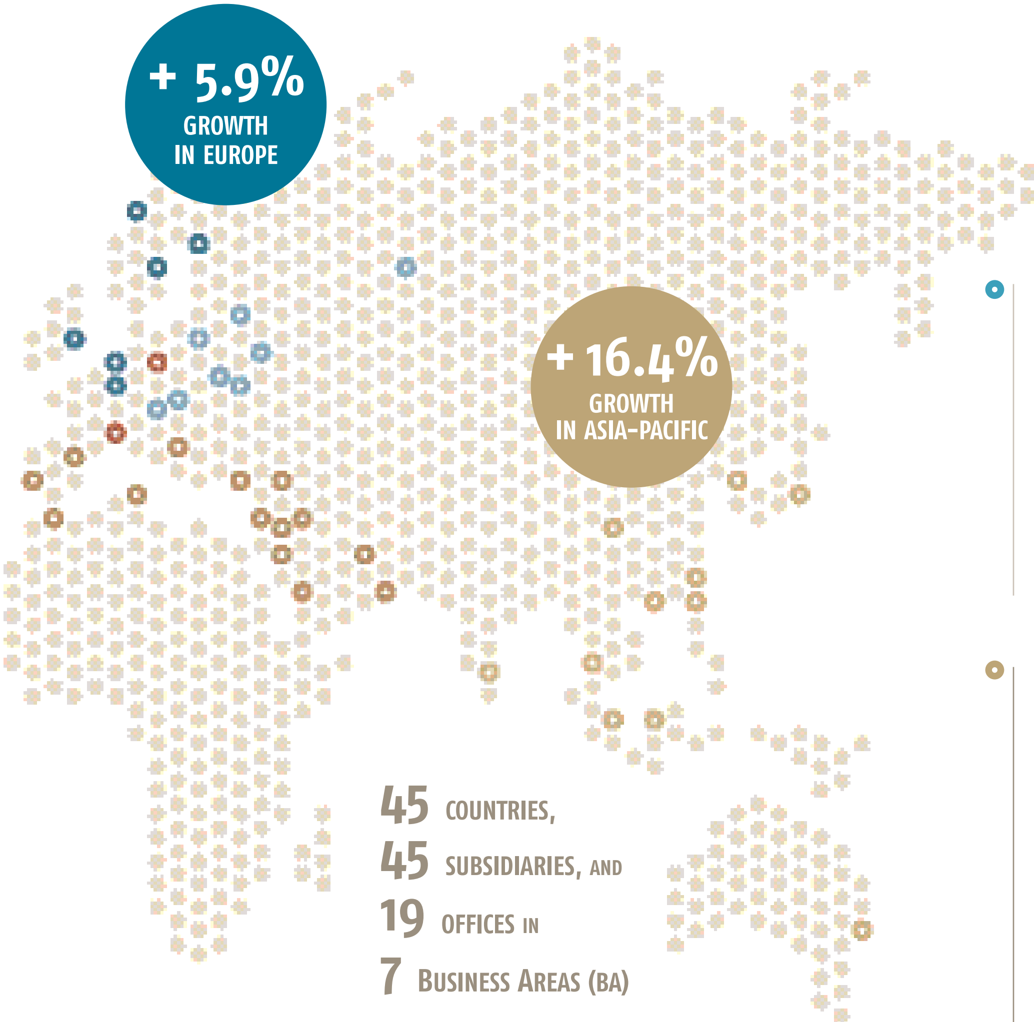
- finding the appropriate distance between BFT and Somfy staff;
- providing BFT with the resources it needs to grow faster, with the creation in 2004 of two subsidiaries (United Kingdom and Croatia), and the development of sales and service activities in several countries;
- generating synergies in purchasing and manufacturing to reduce costs and stimulate growth.

Somfy intends to integrate BFT while preserving its autonomy and culture.

FRANCE
GERMANY

NORTHERN EUROPE
BELGIUM
FINLAND
NORWAY
NETHERLANDS
UNITED KINGDOM
SWEDEN

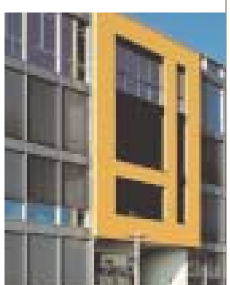
SOUTHERN EUROPE AND THE MIDDLE EAST
SAUDI ARABIA
CYPRUS
DUBAI
SPAIN
GREECE
ISRAEL
ITALY
KUWAIT
LEBANON
MOROCCO
PORTUGAL
SYRIA
TUNISIA
TURKEY



CENTRAL AND EASTERN EUROPE
AUSTRIA
BIELORUS
HUNGARY
POLAND
CZECH REPUBLIC
RUSSIA
SLOVAKIA
SWITZERLAND

ASIA-PACIFIC
AUSTRALIA
CHINA
KOREA
HONG KONG
INDIA
INDONESIA
JAPAN
MALAYSIA
SINGAPORE
TAIWAN
THAILAND

IN **EUROPE,** PRODUCT INNOVATION AND A DIFFERENTIATED APPROACH TO DIFFERENT CUSTOMER TYPES HAVE ENABLED SOMFY TO ACHIEVE HIGHER GROWTH THAN ITS SECTOR ON MATURE MARKETS.



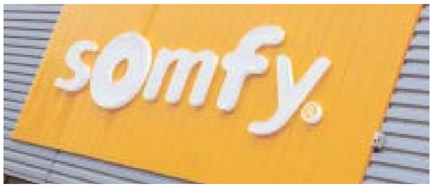
SOMFY HAS BEEN PRESENT IN **ASIA** SINCE 1985. WITH THE OPENING OF A SUBSIDIARY AND THREE NEW OFFICES IN 2004, THE GROUP NOW HAS 11 ENTITIES IN THIS REGION.

SATISFYING THE CONSUMER

200 MILLION USERS

THE SOMFY BRAND IN FRANCE: **27%** AIDED RECALL

After several decades of working towards excellence in development, industry and marketing, Somfy has the highest brand recall in its sector.
Housing has changed irrevocably over this period, with people now investing more and more in their homes. Markets reaching maturity in some European countries need to be segmented more precisely, and the Group's growth will be driven by new countries, especially in America and Asia. To satisfy end-users, build loyalty among existing customers and attract new ones, the Somfy brand will adapt and grow: in 2004 it was given a new identity.
The new brand will see its international launch in 2005, and this will be accompanied by a tangible rise in media investment in several European countries.



Expressing its values and expertise

To be convincing, a brand needs to be reassuring and attractive. The new Somfy brand reassures consumers by continuing to express the values of the Group's technological expertise, and it attracts people using more emotive values-simplicity, emotion and enhancement-that reflect the desire to be closer to the consumer. The new logo, which has a simple, contemporary feel to it, is associated with the tag line ***home motion.*** This expression summarises Somfy's business: the coordination of technologies, motors, controls and automation for all openings in houses and commercial buildings.

Committing to consumers and customers

For consumers, the Somfy brand symbolises the promise of a lively home, of daily happiness and a better quality of life.
For the Group's customers, the new brand represents Somfy's determination to boost their business by continuing to develop the market, via an innovative product range with the best value for money on the market.
In-house, this commitment is a company project uniting employees in development, industry, marketing and distribution.

Launching a new media investment cycle in 2005

Planned for 2005, the launch of the new brand will be supported by increased media investment in Europe, with pan-European advertising campaigns, including television, starting in France, Germany and Spain. On an increasingly competitive market, the Group will maintain this investment long term, in order to boost its differentiation.

OVER
35
NATIONALITIES

AVERAGE AGE OF
36

650
NEW RECRUITS
IN 5 YEARS

MOBILISING SKILLS

Somfy's workforce totals 3 257 and over 35 nationalities. With their wide range of cultures and backgrounds, these teams represent a genuine asset for the Group. Somfy encourages every employee to contribute to the Group's success and to follow a varied and enriching career path.

Meeting the needs of the entities in the field

In 2004, our Human Resources organisation expanded in order to better respond to the needs of the Group's various entities, faced with an increasingly demanding market.
Action plans were drawn up in 70% of Somfy subsidiaries, covering local priorities in terms of recruitment, training and personal mobility.

Similarly, Human Resources policy ensures that actions remain consistent with Somfy's global strategy. A platform of common human resources practices is being set up, expressing the Group's management principles and reflecting its values- International, Responsibility and Performance.

Training and mobilising the workforce

The role of training is to provide employees with the additional skills they need to help the Group's strategy to succeed, as well as giving them the means to pursue their own ambitions.
The Group's training programme takes shape as part of the annual Human Resources cycle, which ensures that Group strategy is compared to the needs of each department in order to define training schemes. The Group's managers are monitored on an individual basis during the “People Reviews” so as to prepare their career path and the mobility necessary for business to grow.
80 managers have taken part in Somfy Academy sessions.
In France, over 4% of the payroll is set aside for training, and almost half of all staff received training in 2004.

In 2004, the Group increased the number of specialist meetings in development, quality, control and industry, in order to boost the professionalism of its teams and encourage the exchange of best practices.

Encouraging mobility

Developing mobility encourages openness and creativity in an international group, enabling people to cultivate unique expertise and strengthen their key skills. It is also the best way to foster staff loyalty and ensure their future within the Group.
The improved publication of vacancies in 2004 helped to boost transfers, with 48% of vacancies in France filled by internal candidates.

Recognising the talent of the workforce

Recognition for talent can be shown through training and offering career prospects as well as through pay. Somfy's management encourages accountability and motivation by developing individualised pay and profit sharing, which were extended to 70% of the workforce in 2004.

4 TRAINING SCHEMES

- SOMFY ACADEMY
  International programme for senior managers and young managers.
- MANCOM
  Programme for managers, aimed at the development of managerial skills and communication.
- COMACTION
  Programme for employees, technicians and supervisors, aimed at developing communication skills and cross-disciplinary operation.
- IPRE
  Programme aimed at workers, to develop multidisciplinary skills.

ORGANISATION*

Supervisory Board

Chairman: Jean-Bernard Guillebert
Vice-Chairman: Jean Despature
Members: Jean-Pierre Devienne
J.P.J. represented by Victor Despature
Xavier Leurent
Anthony Stahl

Audit Committee

Jean-Bernard Guillebert
Victor Despature
Nicolas Duchemin

Remuneration Committee

Jean-Bernard Guillebert
Victor Despature

Management Board

Chairman: Paul Georges Despature
CEO: Wilfrid Le Naour
CFO: Nicolas Duchemin

Auditors

Ernst and Young Audit
CDL

For further information:

Nicolas Duchemin
CFO
Telephone: (33) 4 50 40 48 49
Fax: (33) 4 50 40 19 61
email: nduchemin@dsgsomfy.com
www.somfy.com

* At 2 June 2005.

2004

ANNUAL REPORT

CONTENTS

OVERVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

In euro millions	**31.12.04 12 MONTHS**	**31.12.03 12 MONTHS**	**31.12.02 12 MONTHS PRO FORMA***
Sales before tax	569.1	517.1	499.9
Operating profit	114.0	97.4	90.6
Profit from ordinary activities	111.0	96.5	89.2
Net profit (100%)	74.2	64.7	63.0
Net profit (Group share)	74.2	64.7	63.0
Cash	95.1	88.5	79.8
Investments in property, plant and equipment	21.6	19.4	30.5
Amortization and depreciation	20.8	21.0	19.8
Goodwill amortization charge	10.8	4.9	10.0
Net assets	387.9	351.6	306.1
Net indebtedness **	-37.7	-89.8	-22.4
Non-current assets	291.7	204.4	211.0
Average workforce size	3,257	3,236	3,081

* Financial statements established on the basis of:

- pro-forma financial statements at 31 December 2001 and 30 June 2002, for which the Devianne Group, which used to be consolidated by proportionnal integration, is equity accounted at 31 December 2002.
- financial statements published at 31 December 2002.

** Negative figure = net cash surplus.

MANAGEMENT BOARD REPORT

JOINT GENERAL MEETING ON 2 JUNE 2005

Ladies and Gentlemen,

In accordance with legal and regulatory provisions in force, the Management Board has convened you here in order to inform you of the management of your company and its subsidiaries and to submit for your approval the financial statements for the year ending 31 December 2004.

Highlights

At the end of March 2004, Somfy SA acquired the Italian company BFT. This company was included in group financial statements for 9 months. At 31 December 2004, the BFT group contributed €76.6 million to goodwill, €12.1 million to property, plant and equipment and €44.6 million to sales.

Following recent changes within the Board of Directors of Gaviota-Simbac, companies that were proportionally consolidated up to 31 December 2003 are now equity accounted. This sub-group contributed €24.1 million to sales at 31 December 2004.

In addition, four new companies were established and consolidated during the first half of 2004: Somfy Turkey, Sitem, Domaster and BFT England.

Considering the limited impact on Group financial statements, these changes in consolidation scope did not require the preparation of pro forma financial statements.

Presentation of group and parent company financial results

Parent company financial results

> Net finance income

Net finance income realised by the Group holding company Somfy International SA primarily related to €67.9 million in dividend income received from Group subsidiaries.

Dividends received in 2003 were markedly lower, as 2002 net profit related to a 6-month period.

> Net exceptional costs

No significant exceptional costs were incurred in 2004.

> Net profit

Net profit thus amounted to €68.5 million and includes in particular an income tax saving of €4.8 million, as a result of the tax grouping arrangement.

Group financial results

> Sales

Consolidated sales increased by 10.1% in real terms and 7.6% on a constant exchange rate basis to €569.1 million.

Growth was higher than in previous years and confirmed the strength of SOMFY's business model.

Growth was especially vigorous in the first year-half (up 11.8% in real terms and up 12.8% on a comparable structure basis) and slowed down as forecast in the second year-half (up 8.2% in real terms and up 1.0% on a comparable structure basis). The decline had a full effect compared to the 2003 financial year which experienced an unusual seasonal variation pattern (delayed blind season), with a 0.5% reduction in the first half and an 8.1% increase in the second half, in real terms.

Over the whole financial year and like for like, all geographic areas recorded growth on a yearly basis.

- Sales in France and Germany increased by 6.7% and 4.3%, respectively (but were up 1.9% and (5.0%) over the second year-half). In Germany, comparison for the second half of 2004 was hampered by the strong upturn in business recorded from July 2003.
- Sales in Northern Europe and Central and Eastern Europe followed similar trends: respective growth of 6.4% and 3.3% over the financial year, followed by a respective fall of 4.8% and 5.1% in the second year-half. Evolution by country was more mixed: strong growth was maintained all year long in the United Kingdom and the Czech Republic, while Switzerland and Sweden experienced a marked downturn in the second year-half.
- Sales in Southern Europe increased by 5.0% over the second year-half and by 7.0% over the full year. Again, the Italian market did not yield good results, while the Iberian Peninsula and the Middle East remained very dynamic.
- Finally, sales in America and Asia/Pacific followed on a very good start of the year: American sales increased by 15.7% over the second year-half and 17.3% over the financial year, while Asia/Pacific increased by 15.4% over the second year-half and 16.4% over the financial year. Good results were somewhat hampered by the rise in value of the Euro against currencies of these areas: on current exchange rates and comparable Group structure basis, recorded growth for the financial year only reached 7.9% and 13.2% in America and Asia/Pacific, respectively.

In euro thousands	**31.12.2003**	**31.12.2004**	**△ N/N-1**	**△ N/N-1 LIKE FOR LIKE BASIS***
France	152.9	170.5	11.5 %	6.7 %
Germany	83.7	87.8	4.9 %	4.3 %
Northern Europe	78.2	86.4	10.5 %	6.4 %
Central and Eastern Europe	31.0	34.8	12.3 %	3.3 %
Southern Europe	92.2	102.0	10.6 %	7.0 %
Asia-Pacific	27.2	30.8	13.0 %	16.4 %
Americas	51.9	56.8	9.6 %	17.3 %
TOTAL	**517.1**	**569.1**	**10.1 %**	**7.6 %**

* Comparable consolidation scope: excluding Gaviota Simbac at 31.12.2003 and BFT at 31.12.2004.

> Results

Operating profit for the financial year was €114.0 million, an increase of 17.0%. It represents 20.0% of sales against 18.8% the previous year.

The increase in business volumes, product mix improvements and continued production cost reductions explain most of the growth. These levers result from specific adjustment measures (reorganisation of newly acquired companies) and continuous progress and innovation plans (maximising synergies, optimising processes...). They enabled a reduction in sales prices similar to previous years.

The acquisition of BFT and the increase in value of the Euro had a marked negative impact on the Somfy SA Group's financial costs, which amounted to €3.0 million this year, compared to €0.9 million the previous year.

Exceptional income/expense was affected by a provision for tax audit in the amount of €1.2 million.

Net profit increased by 14.7% to €74.2 million. This figure includes a significant increase in acquisition goodwill amortization due to the BFT acquisition and higher exceptional expenses. Net profit, excluding acquisition goodwill, increased by 22.1% at €85.0 million.

These results were achieved while maintaining a high level of research and development expenses.

Increase in net cash flow (up 7.5%) was not as high as the growth in net profit, excluding profit of equity accounted companies and acquisition goodwill amortization. This difference arose from lower amortization and depreciation charges in 2004 than in 2003 and from the establishment non-recurring provisions in 2003.

> Financial structure

Investments in property, plant and equipment amounted to €21.6 million, compared to €19.4 million in 2003.

The year 2004 was marked by the acquisition of the BFT company, financed by Group cash flow. However, the structurally excellent cash flow, tight working capital management and a moderate level of investment enabled the group to reach a net financial surplus of €37.7 million at year end.

Presentation of subsidiaries' financial statements

Somfy SAS – FRANCE

In euro thousands	31.12.2004 (12 MONTHS)	31.12.2003 (12 MONTHS)	31.12.2003 (6 MONTHS)	03/02 △ (12 MONTHS)
Sales (contribution to cons. financial statements)	121,026	105,443	94,474	14.8%
Sales (Company accounts)	280,239	253,078	230,766	10.7%
Operating profit (contribution to cons. financial statements)	63,521	57,286	50,612	10.9%
Operating profit (Company accounts)	64,369	56,601	51,293	13.7%
Net profit (contribution to cons. financial statements)	42,389	39,515	35,526	7.3%
Net profit (Company accounts)	43,365	38,986	36,014	11.2%

Somfy GMBH – ALLEMAGNE

In euro thousands	31.12.2004 (12 MONTHS)	31.12.2003 (12 MONTHS)	31.12.2003 (6 MONTHS)	03/02 △ (12 MONTHS)
Sales (contribution to cons. financial statements)	80,318	77,667	75,180	3.4%
Sales (Company accounts)	85,274	86,321	85,625	-1.2%
Operating profit (contribution to cons. financial statements)	4,853	5,584	4,113	-13.1%
Operating profit (Company accounts)	4,739	5,548	4,060	-14.6%
Net profit (contribution to cons. financial statements)	2,819	3,249	2,306	-13.2%
Net profit (Company accounts)	3,248	3,727	2,773	-12.9%

SOMFY Systems Inc – USA

In euro thousands	31.12.2004 (12 MONTHS)	31.12.2003 (12 MONTHS)	31.12.2003 (6 MONTHS)	03/02 △ (12 MONTHS)
Sales (contribution to cons. financial statements)	31,942	30,816	35,397	3.7%
Sales (Company accounts)	34,282	32,877	37,640	4.3%
Operating profit (contribution to cons. financial statements)	4,471	5,108	5,232	-12.5%
Operating profit (Company accounts)	4,499	4,791	5,202	-6.1%
Net profit (contribution to cons. financial statements)	2,983	3,486	3,778	-14.4%
Net profit (Company accounts)	2,344	1,108*	3,760	111.6%

* Net Group profit affected in 2004 and 2003 by inter-group provisions of €0.8 million and 2.3 million, respectively.

SOMFY Nederland BV – Holland

In euro thousands	31.12.2004 (12 MONTHS)	31.12.2003 (12 MONTHS)	31.12.2003 (6 MONTHS)	03/02 △ (12 MONTHS)
Sales (contribution to cons. financial statements)	24,712	22,939	21,329	7.7%
Sales (Company accounts)	25,316	23,485	22,021	7.8%
Operating profit (contribution to cons. financial statements)	5,021	4,746	4,198	5.8%
Operating profit (Company accounts)	5,043	4,682	4,139	7.7%
Net profit (contribution to cons. financial statements)	3,231	3,092	2,678	4.5%
Net profit (Company accounts)	3,245	3,051	2,639	6.4%

SOMFY Espana SA – Spain

In euro thousands	31.12.2004 (12 MONTHS)	31.12.2003 (12 MONTHS)	31.12.2003 (6 MONTHS)	03/02 △ (12 MONTHS)
Sales (contribution to cons. financial statements)	21,154	17,227	14,516	22.8%
Sales (Company accounts)	21,221	17,238	14,516	23.1%
Operating profit (contribution to cons. financial statements)	4,750	2,969	2,456	60.0%
Operating profit (Company accounts)	3,822	2,960	2,417	29.1%
Net profit (contribution to cons. financial statements)	3,081	1,896	1,564	62.5%
Net profit (Company accounts)	2,468	1,890	1,538	30.6%

WAY SRL – Italy

In euro thousands	31.12.2004 (12 MONTHS)	31.12.2003 (12 MONTHS)	31.12.2003 (6 MONTHS)	03/02 △ (12 MONTHS)
Sales (contribution to cons. financial statements)	25,387	25,787	28,380	-1.6%
Sales (Company accounts)	32,510	33,568	33,877	-3.2%
Operating profit (contribution to cons. financial statements)	1,335	3,522	3,361	-62.1%
Operating profit (Company accounts)	1,408	3,298	3,690	-57.3%
Net profit (contribution to cons. financial statements)	-419	1,396	1,195	-130.0%
Net profit (Company accounts)	409	2,058	2,171	-80.1%

Post balance sheet events

No post balance sheet event occurred.

Outlook

Somfy is cautious for the 2005 year, with regards to economic and monetary uncertainties, but will nonetheless start a new investment cycle for 2005 and 2006.

The Group is preparing the launch of numerous products for the end of 2005 and the start of 2006, in order to strengthen its product innovation policy.

In addition, we are considering proceeding to the free allocation of shares to employees and directors on the basis of performance, in accordance with the provisions of the 2005 Finance Law. A corresponding proposal will be the subject of a specific resolution submitted to the next General Meeting.

Information on shareholders and share capital

Major shareholders (article L.233-13 of the French Commercial Code)

Shareholders owning more than 5% of the share capital at 31 December 2004:

	NUMBER OF SHARES HELD	% SHARE CAPITAL	% VOTING RIGHTS
J.P.J. SCA*	3,858,802	49.24	58.58
Despature family	1,195,036	15.25	16.50
Faac Spa	571,400	7.29	8.79
Northern Trust	558,703	7.13	4.30

* There is a binding agreement between JPJ SCA, a limited partnership, and the Despature family.

Conditions for acquiring multiple voting rights

The voting right attached to the shares is proportional to the capital that they represent. For the same par value, each ordinary or preferred share entitles its holder to one vote.

A voting right that is double that conferred on shares, considering the share capital they represent, is allocated to all fully paid shares that have been duly registered for at least four years in the name of the same shareholder at the end of the financial year preceding that of each Meeting.

Shareholders' agreement

> Actions in concert and pre-emption agreement

JPJ SCA and certain members of the Despature family are bound by a special agreement and have signed a pre-emption agreement concerning their respective holdings of Somfy International SA shares.

This agreement, which was submitted to the French Financial Markets Commission on 5 March 1998, sets the conditions under which the pre-emption right may be exercised in the event of transfer by the signatories of their Somfy International SA shares. It was signed for a period of 15 years, effective from 17 May 1997.

It is binding on the signatories and their minor beneficiaries in the event of death, and for all their minor descendants who might be entitled to shares through disposal or gift.

Any changes to this agreement, particularly regarding its duration, must be decided by a three-quarter majority of the share capital of Somfy International SA represented by all the signatories. JPJ SCA shall administer the agreement for an unlimited period.

> Collective retention agreements

A collective retention agreement relating to 51.33% of the share capital of SOMFY SA was signed on 24 December 2003 by several shareholders, including Management Board members

Paul-Georges Despature, Wilfrid Le Naour and Nicolas Duchemin and Supervisory Board member Jean-Bernard Guillebert, in accordance with Article 885 1 bis of the General Tax Code and expiring at 1 January 2010, inclusive. Beyond that date, the commitment will be automatically extended for successive periods of 12 months, unless one of the signatories gives notice of termination to other signatories.

In addition, eight collective retention agreements relating to 51.49% of the SOMFY SA Company share capital were signed on 24 and 29 December 2003 by a number of shareholders, including Management Board members Paul-Georges Despature, Wilfrid Le Naour and Nicolas Duchemin and Supervisory Board member Jean-Bernard Guillebert, in accordance with Article 787 B of the General Tax Code, for a two-year period from the date of establishment and automatically extended for successive periods of three months, unless one of the signatories gives notice of termination to other signatories.

Information on the purchase of own shares (article L.225-211 of the French Commercial Code)

The Company has implemented several successive treasury share programmes. The last programme was launched in 2004 (visa 04-394); it was authorised by the Combined General Meeting of 3 June 2004 and had the following objectives:

- Share price regulation by systematic intervention against market trend, - Buying or selling interventions depending on market situation.

During the financial year, the Management Board made use of the authorisation granted and bought 14,694 shares at an average price of €154.41 and sold 19,370 at an average price of €110.87. Trading expenses totalled €2,972.61.

No shares were cancelled and the number of shares held through this authorisation amounted to 47,563 at 31 December 2004. They accounted for 0.6% of the share capital, with an average purchase price per share of €81.43 with a par value of €1.

In line with recent regulatory changes, the Management Board will submit for the shareholders' approval a new treasury share purchase plan for a period of eighteen months. This plan will replace the current programme, which will be terminated early. This programme complies with the AMF (French financial market authority) note, dated 17 March 2005, relating to the implementation of a new treasury share purchase programme, as a result of the application as of 13 October 2004 of European regulation 2273/2003.of 22 December 2003.

These new provisions would allow management to purchase up to 10% (at programme starting date) of the shares of the Company; the main objectives of the programme would be:

- To make share trading more dynamic and carry out transactions against market-trend within the framework of a liquidity contract, which complies with the AFEI ethical charter contracted with an investment service provider,
- To hedge share subscription option plans or the granting of free shares,
- To purchase shares with a view to retaining them and subsequently exchanging, using them as consideration, or using them in any other way, within the context of growth by acquisition operations.

136,001 treasury shares were acquired before 13 October 2004 and were allocated to authorised objectives as follows:

- 733 to the liquidity contract,
- 113,000 to share subscription option plan hedging,
- 22,268 to growth by acquisition operations.

Information on French company investments and controlled companies

Investments in French companies during the financial year ending 31 December 2003 (Article L. 233-6 of the French Commercial Code): no investments were made in French companies during the financial year.

Names of companies directly or indirectly controlled and fraction of Somfy International SA share capital held by them (Article L. 233-13 of the French Commercial Code): none of the companies controlled by Somfy International SA held shares in it.

Information on appointments held and remuneration received during the financial year (Article L. 225-102-1 of the Commercial Code)

Appointments held by Management Board members and remuneration received from SOMFY SA and subsidiaries under its control

- Paul Georges DESPATURE
- Chairman of the Supervisory Board of Damartex
- Vice-Chairman of the Supervisory Board of Devianne
- Director of Disport and Faac SpA
- Manager of CMC SARL, Fidep and Primvet
  Remuneration: €783,471.

- Wilfrid Le NAOUR
- Chairman of Somfy SAS, Somfy Development SAS, NV Somfy SA, Somfy Systems Inc., Simu USA Inc., Somfy AG, Somfy China Ltd, Somfy Co Ltd, Somfy España SA, Somfy Hellas SA, Somfy Ltd, Somfy Mexico SA de CV, Somfy Middle East Co Ltd, Somfy Pty Ltd and Somfy Pte Ltd,
- Vice-Chairman of Somfy Nordic AB,
- Director of Fiteco SA, Promofi BV, Somfy BV, Somfy KK, Somfy Joo Co Ltd, Somfy ULC, Somfy India PVT Ltd, Somfy Italia srl, Mingardi srl, Klasso Holding AB, I-Blind Co Ltd, Gaviota Simbac SL, Faac SpA and BFT SpA,
- Manager of Somfy GmbH, SCI of 43 rue du Battant and SCI of 93 rue du Battant,
- Employee of CMC SARL
  Remuneration: €465,135

- Nicolas DUCHEMIN
- Chairman of the Board of BFT Holding SpA
- Member of the Supervisory Board of Damartex
  Remuneration: €180,644

Appointments held by Supervisory Board members and remuneration from SOMFY SA and subsidiaries under its control

- Jean DESPATURE
- Member of the Supervisory Board of Damartex
  Remuneration: €2,143

- Victor DESPATURE
- Chairman of the Supervisory Board of SCA ATN, Boulinvest, J.P.J., Samauchan and Soparthlon B
- Member of the Supervisory Board of Damartex
- Chairman of SAS Restag and Tapima
- Chief Executive Officer of Mero-Meca SA
- Representative of Mero-Meca SA, Chairman of Sipem SAS
- Permanent representative of DEVIN-VD to the Management Board of La Mouette SA
- Manager of SCA Acanthe, Cimofat, Cimoflu, Valma and Valorest
- Manager of DEVIN-VD, Leomav, Point du Jour, Soderec, Soparboul and Vicma.
  Remuneration: €4,607

- Jean-Pierre DEVIENNE
- Member of the Supervisory Board of Damartex
- Chairman of the Management Board of Fidep.
  Remuneration: €2,143

- Jean-Bernard GUILLEBERT
- Vice-Chairman of the Supervisory Board of Groupe Auchan and Damartex
  Remuneration: €20,000

- Xavier LEURENT
- Member of the Supervisory Board of Damartex
- Manager of Fidep
  Remuneration: €2,143

- Anthony STAHL
- Member of the Supervisory Board of Damartex and J.P.J. SCA
  Remuneration: €1,607

Corporate governance

Audit committee

The mission of the Audit Committee, which was established on 23 April 2002 and currently comprises 3 members, is to ensure the relevance and consistency of accounting policies and methods used in the preparation of the consolidated and parent company accounts, and to verify that internal procedures regarding the collection and control of information ensure this.

Since its creation, the Audit Committee met at least at each half-year closing.

The Internal Audit Department is under the supervision of the Audit Committee and reports to the Chairman of the Board.

This department comprises the Internal Audit Officer and an auditor, and carries out audits that evaluate the correct application of accounting principles and organisation and systems implemented in the audited entities.

An audit assignment schedule is established annually in conjunction with Somfy SA's Management. It is subject to approval by the Management Board and validation by the Audit Committee.

It provides an independent appraisal of the efficiency of the internal control system.

If necessary, the main internal control weaknesses noted are communicated and recommendations are put forward.

To date, 17 companies have been subjected to similar audits.

In addition, emergency assignments not included in the audit schedule may be carried out during the year upon a request from the Management Board or from the Supervisory Board.

The Internal Audit Officer submits a report on his activities to the Audit Committee twice yearly.

The Chairman of the Board of Directors, the Chairman of the Audit Committee and the Internal Audit Officer signed an internal audit charter at the beginning of February 2005. It specifies the role and scope of intervention of activity of internal audit. The scope includes subsidiaries in which the Group holds at least 50% of the share capital or that are wholly consolidated, including BFT.

In addition, assumptions used by financial teams, within the framework of the transition to the IFRS accounting standards and in particular the First Time Adoption (FTA) standard, were validated by the Audit Committee.

The Audit Committee met to review the annual accounts for the year ending 31 December 2004.

Remuneration committee

The mission of the Remuneration Committee, which was established on 23 April 2002 and comprises 2 members, is to submit proposals to the Supervisory Board, notably concerning the amount and methods of calculation of remuneration of executive officers.

The Remuneration Committee met twice during the year ending 31 December 2004 and regularly verifies the relevance of its choices with external experts.

Information on research and development activities (Articles L 232-1 and L 233-26 of the French Commercial Code)

Research and Development plays an important part in the growth of Somfy; it lies at the heart of the Group's strategy of widening and differentiating its offer.

The Group has 5 international development centres:

The largest is located in France and includes 80% of total Research and Development personnel. Centres located in Germany and Sweden specialise in service offer, the United States centre in residential interior solar protection products, and finally, the Japanese centre is dedicated to compliance with Asian market standards and specifications.

At 31 December 2004, these 5 centres had 270 employees dedicated to development, including 215 engineers and technicians.

Success of the Oximo RTS materialised in 2004, due to a range of innovative functionality on the roller shutter market and added value given to professional customers in terms of protection of load-bearing elements. Oximo RTS also enabled range rationalisation from the industrial point of view.

In 2004, recruitment of employees was intensified. They are assigned to the development of future new products as early as in 2005 and 2006.

In addition, industrial resources dedicated to development will be doubled in 2005. Teams will focus on the following major projects initiated in 2004:

- Continued encouragement of radio sales, which is a key element in product mix growth and profitability.
- Increasing motorization rate on the new installation segment, especially for roller shutters.
- Creation of a high-end offer compatible with industrial partners' product ranges.
- Cost competitiveness, which is a growth factor of Group market shares.

Within the framework of application of the Kyoto directive planned for the beginning of 2006, a project was launched in conjunction with universities and building comfort and energy saving specialists, which will enable Somfy to develop specific solutions.

Information on employee shareholding (Article L 225-102-1 of the French Commercial Code)

At 31 December 2004, the SOMFY Investment Trust held 30,373 Somfy shares amounting to 0.40% of its share capital.

Information on environmental risk (Article L 225-102-1 of the French Commercial Code)

Somfy International Group's major production sites only undertake assembly work, which does not generate any pollution. Accordingly, the Group is not exposed to any significant environmental risk.

Raw materials and utility consumption:

	QUANTITY	VALUE (K€)
Water (m^3)	22,977	54
Gas (m^3)	1,833,984	582
Power (kW)	11,906	929
Copper (Tons)	694	3,483

Information on the impact of group activities on its employees (Article L 225-102-1 of the French Commercial Code)

Somfy Group employs a workforce of 3,257 of 35 different nationalities. They bring a wealth of skills and personalities that guarantee the future development of the Group.

Geographic, cultural and professional diversity, allied to increasingly demanding markets, define priority areas of Somfy's human resources policy, which are the following:

- **Implementing employee management as close as possible to group entities:** human resources organisation was strengthened in 2004 to provide even more efficient coverage of all territories.

HR action plans are deployed in 70% of Group entities. In effect, plans direct local priorities, according to recruitment, training and individual mobility requirements. Plans also enable to progressively establish a human resource good practice platform, which expresses our common managerial action principles and values.

- **Developing tomorrow's managers and training our employees:** individual follow-up resulted in "people reviews" being conducted on 80% of Group managers. This systematic work prepares professional careers and employee mobility necessary to growth of operations.

Training is a key element of the group's human resources policy:

- we devote over 4% of our payroll costs to it in our various French sites;
- nearly half the workforce was included in training actions in 2004;
- over 80 managers from all countries already took part in all three "Somfy Academy" sessions;
- meetings in the main skill areas (technical development, quality, industry, control, marketing, human resources) enable us to improve team professionalism and to develop intra-group exchanges and corporate culture.

Increasing mobility and promoting career advancement: wider advertising of available positions in 2004 noticeably increased the internal mobility, especially in France, where 48% of vacancies were filled internally. This mobility enables Somfy to create unique know-how and to strengthen Somfy's key skills.

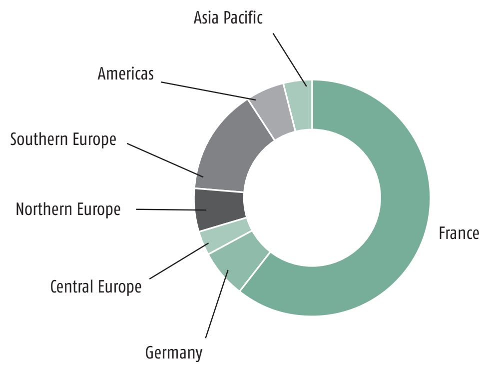
Listening and improving: every two years, a satisfaction survey is carried out to collect opinions from all Group employees, on such themes as supervision, working conditions, internal communication, human resources or the Group.

2004 results showed in progress, thus encouraging, and reinforced our determination to prepare high motivation and high performance teams to overcome strategic challenges.

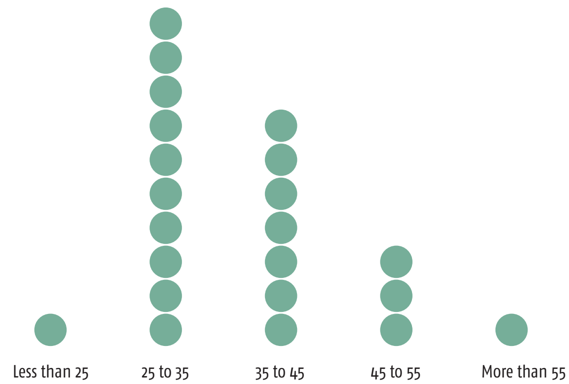
Here is a question in the 2004 "Somfyscope": "has my trust in the future of the Group:"

- improved: 30% (vs 27% in 2002)
- remained stable: 57% (vs 56 % in 2002)
- decreased: 11% (vs 14% in 2002)

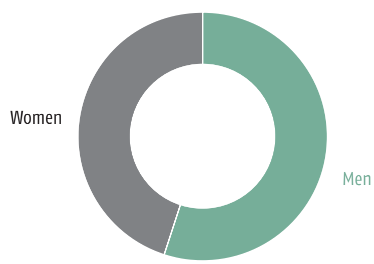
Workforce information:
Workforce analysis by geographical areas



Workforce analysis by age:



Workforce analysis by gender



Information on other risks (Article L 225-102-1 of the French Commercial Code)

Financial risks

In order to optimise management of exposure to foreign exchange risks and interest rate risks resulting from operations, Somfy uses financial hedging instruments provided by financial markets. Transactions were solely carried out as a protection objective, not for speculative purposes.

Thus at 31 December 2004, we had contracted two interest rate hedging instruments with our banks. A standard interest rate swap (swap of fix rate – variable rate) on €5 million and a preferential cap on €30 million. These transactions enable us to hedge interest rates relating to our medium term borrowings and to our PPE leases.

At 31 December 2004, Somfy had a borrowing facility at 5 and 6 years of €105 millions from 5 bank institutions. €24 million had been drawn down at that date.

Somfy SA committed to those banks that it would comply with two financial ratios, relating to the Group's financial structure (net borrowings to equity) and its coverage ratio (net borrowings to cash flow).

Both ratios were met at 31 December 2004 balance sheet date.

Legal risks

The Somfy Group's operations are not subject to specific regulations, with the exception of the compulsory listing on the Register of Companies and stock exchange regulations. The Somfy group is involved in a number of minor disputes in respect of its business. These should not have any significant negative impact on the Group's financial structure.

To the Group's knowledge, there were no exceptional events or litigation likely to have a significant negative impact on the Group or its subsidiaries' operations, assets or results.

Insurance – risk coverage

Somfy Group is covered by several polices, with regards to the following risks:

- "Property damage" insurance, covering buildings and their contents (equipment, goods, IT equipment) up to the maximum amount of damage likely to be incurred,
- "Resulting loss of profit" insurance.

Risks insured by these two policies include fire, explosions, lightning, smoke, emissions, steam, impacts from airborne objects, electric risks, storms, snow, hail, water damage, frost, machine breakage, IT equipment theft, natural disasters and other non designated events.

- General civil liability relating to monetary consequences of insured entity's liability following physical injury, property damage or moral prejudice caused to a third party during or in relation to Group operations,
- Directors' civil liability,
- Transported goods insurance.
- In addition, credit insurance contracts, both in France and internationally, enable the Group to limit the impact of customer bad debts. About 50% of sales are thus insured.

Country risks

The majority of operations occur in safe areas such as Europe, the United States and Asia.

The Group does not operate in any hyperinflation economies.

Allocation of net profit

Prior to submitting its profit allocation proposal, the Management Board reports that an amount of €652,310.93, equal to the exceptional tax set out in Article 39 of the 2004 Revised Finance Law was charged to retained earnings at 31 December 2004. Thus this account, which showed a positive balance of €582,196.00 equal to 2003 dividend not allocated to treasury shares, now indicates a negative balance of €71,114.93. Payment of this tax is linked to the obligation prescribed to companies by this law to regularise the special reserve account, by transferring long-term gains on disposals to ordinary reserves. Shareholders will be requested to approve this transaction, in order to free the company from all tax constraints involved in maintaining this reserve.

The Management Board proposes to allocate the net profit for the financial year ended 31 December 2004, amounting to €66,864,806.07 as follows:

- Clearance of negative retained earnings balance	€71,114.93
- Distribution of a €4.60 net dividend per share, for a total dividend of €4.60 x 7,836,800 shares	€36,049,280.00
- Transfer to available reserve	€30,744,411.14
	€66,864,806.07

A net dividend of €4.60 will be distributed for each share of a nominal of €1, and may be combined with a 50% tax abatement per share granted to individuals subjected to income tax in France, in accordance with Article 158-3-2 of the new version of the General Taxation Code.

Treasury shares held by the company are not entitled to dividends, with the corresponding amounts transferred to retained earnings.

The dividend will be payable from 9 June 2004 at the counter of paying institutions.

In accordance with legal provisions, the following dividends were paid during the last three financial years, including related tax credits:

Financial year ending	**30.06.2002**	**31.12.2002 (6 MONTHS FINANCIAL YEAR)**	**30.06.2003**
Number of shares eligible for dividends*	7,719,131	7,696,641	7,698,420
Par value	1	1	1
Total distributed dividends	29,332,697.80	14,623,617.90	32,333,364.00
Dividend per share			
- Net amount	€ 3.80	€ 1.90	€ 4.20
- 50% tax credit	€ 1.90	€ 0.95	€ 2.10
- Gross amount	€ 5.70	€ 2.85	€ 6.30

* Excluding treasury shares held by SOMFY International SA with no right to dividend.

Employee benefits

At 1 January 2004, the Group changed its accounting method in line with CNC recommendation 2002 – R.01. A provision was established in the financial statements at 1 January 2004 for actuarial differences existing at 31.12.2003. Impact on Group equity amounted to a net amount of €4.0 million.

With respect to pension commitments, the Group contributes to pension plans or grants benefits at employee retirement, in compliance with local practice and regulations applicable in each particular country. Benefits granted have been measured.

Types of pension plans

> Defined contribution pension plans

Defined contribution pension plans designate post-employment benefit plans for which the Group pays to certain categories of employees, fixed contributions to an external insurance company or pension fund. Contributions are paid in relation to services rendered by employees for the financial year. They are recorded as personnel expenses for the financial year they are incurred, following the same guidelines as salary and treatment recognition. No provision was established for defined contribution pension plans, as they do not generate future commitments.

Most Somfy subsidiaries pay contributions to this type of plan.

> TFR in Italy "Severance pay provision"

TFR commitments (payment of benefits to Italian employees at their retirement) are recognised as liabilities, since the nature of this amount payable is certain. They are recorded as personnel expenses for the financial year they are incurred.

> Defined benefits pension plans

Group commitments relating to these plans are calculated annually using the projected unit credit method. These calculations include mortality assumptions, staff turnover and future salary increases.

Future likely benefit payments are discounted using suitable rates for each country. Discount rates are indexed on the rate of return of government bonds.

When commitments are pre-financed through external funds, assets held in funds are valued at their fair value.

Somfy Group is compelled to establish a provision for the difference between the present value of commitments to employees and the value of assets paid into funds.

These plans fall in the following categories:

- Supplementary retirement schemes.
- Retirement benefits. Retirement benefits are usually linked to collective agreements signed with employees. They essentially relate to retirement or career-end payments, both for voluntary redundancies and retirement of employees.
- Seniority awards: Labour Medals (France) or Jubilee (Germany and Austria) give employees right to additional payments, following a number of years of service in their company.

With the exception of labour medals, for which actuarial differences are taken to the income statement for the financial year, changes of actuarial assumptions that affected commitment estimates, as well as the difference between long-term expected yield from external funds and actual yield, are recognised as actuarial gains or losses.

A provision is established for actuarial differences thus generated, when they exceed 10% of the highest of commitment gross value and hedging asset value (corridor principle). It is posted on a straight line basis over the average number of years of service that employees included in the plan have to perform.

Within the framework of defined benefit pension plans, the income statement is impacted by the cost of services rendered, which reflects the increase in commitments related to the acquisition of an additional year of seniority, as well as actuarial debt interest charges. Expected yield from external financing is deducted from these expenses.

Stock market developments and performance

Somfy share price has benefited from the successful integration of the Italian company BFT and from the healthy condition of the Group's markets.

At 31 December 2003, the last trading day before closing the previous financial year, the share price was €138. It kept on appreciating and reached €158 on 15 June 2004. The share was then boosted by half-year results and increased sharply to the €169.20 year high on 15 September 2004, followed by consolidation in the range of €160.

Based on the share price at 31 December 2004, of €164, and taking into account a net dividend of €4.60 and the additional 50% tax benefit, the SOMFY share yielded 4.20%.

The market for the share recorded monthly trading extremes of 33,727 and 3,813 shares, with a monthly average of 20,451 shares against 30,408 shares the previous year.

TRANSITION TO IFRS STANDARDS

Context of publication

In application of the European regulation 1606/2002 of 19 July 2002 on international accounting standards, Somfy will adopt international standards in the 2005 financial year according to the provisions of IFRS 1, first time adoption of IFRS, and will prepare comparative financial statements for 2004 according to these standards.

Within the context of the publication of comparative financial statements for the 2005 financial year, SOMFY Group has prepared an equity reconciliation at the date of IFRS adoption (1 January 2004), as well as explanatory notes on selected accounting principles.

Since financial statements for the financial year ended 31 December 2005 must be prepared in accordance with IFRS standards applicable at that date, figures provided as a comparison with 2005 accounts in relation to the opening balance sheet at 1 January 2004, may differ from information provided below.

Therefore, figures were prepared in accordance with provisions of the IFRS1 standard, first time adoption of International Financial Reporting Standards, by applying IAS/IFRS standards applicable at 1 January 2005, as published at 31 December 2004 by the European Commission.

By nature, the main sources of difference identified at this stage, in addition to financial statement presentation, are as follows:

- Duration of industrial equipment and computer software amortization and depreciation: terms used after implementation of IFRS standards will be longer than those currently used;
- Capitalisation of development expenses; development expenses recognised as expenses under French GAAP will be capitalised under IFRS standards. This standard has been applicable since 1 January 2004, considering that SOMFY did not previously comply with all recognition conditions required by IAS 38.
- Recognition of treasury shares as a reduction of equity, as per IFRS standards. Treasury shares were previously recorded as marketable securities because of their nature (notably share subscription options, regulation of share price);
- Fair value estimation of securities available for sale: Somfy SA and Damartex shares held by FAAC, as well as Agta shares held by Somfy SA are considered as shares available for sale according to IAS 39. Therefore, these shares are recorded at fair value (stock market price or other valuation method).
- Recognition in the balance sheet of exchange rate and interest rate hedging instruments at fair value from 1 January 2004. These instruments are not recognised in French consolidated accounts, but are recorded under off-balance-sheet commitments;
- Cessation of goodwill amortization, replaced by impairment tests at Cash Flow Generating Unit Level;
- Analysis of company performance by geographical areas, in accordance with current "Business Areas" organisation (primary segmentation).

These elements were reviewed by our auditors but were not the object of a specific report.

TRANSITION TO IFRS STANDARDS

Translation project organisation

In order to be able to publish half-yearly and annual accounts according to new standards from 2005, Somfy has taken the following steps:

- Creation in 2003 of a project group. Familiarisation with new standards and identification of qualitative differences between CRC 99-02 and IFRS standards;
- 2004: impact estimation, drafting of new procedures and migration to a new consolidation software allowing the production of IFRS information.

In the opening balance sheet, the Group presents a reconciliation of consolidated equity and a balance sheet prepared according to French GAAP and IFRS standards.

Presentation of standards and applied interpretations

Description of options and accounting exceptions relating to first application of IFRS

With regards to establishing its opening balance sheet, the Group complied with the provisions of IFRS 1 regarding first application of international standards and exceptions to the retrospective application principle of all IFRS standards.

Within this context, SOMFY has selected the following options and exceptions defined by IFRS 1:

- Business combinations prior to 1 January 2004 were not subject to retrospective restatements,
- Actuarial differences on pension commitments were recognised as a contra-entry in equity for their cumulative amount at 1 January 2004,
- The cumulative amount of translation differences at 1 January 2004 was cleared by a contra-entry in consolidated reserves, the amount of opening equity thus remaining unchanged.

IAS 32 and 39 were applied with effect from 1 January 2004.

Impact by standard

> Property, plant and equipment (IAS 16)

The application of IAS 16, mainly relating to valuation, recognition and depreciation of property, plant and equipment (PPE), has a significant impact on Group consolidated accounts.

At first IFRS standard application, IFRS 1 provides the option of proceeding or not to the revaluation of all or part of PPE.

Somfy has elected to keep historical value for PPE valuation at first IFRS application.

The Group will apply the reference treatment defined by IAS 16, for subsequent evaluations.

Taking into account the nature of PPE held by SOMFY, no category analysis was relevant.

Some rules relating to depreciation procedures have changed:

- Bases of depreciation calculation have not been amended, as the Group considers that residual values were not significant (with the exception of land values).
- Depreciation terms were reviewed and determined according to the probable duration of use of assets by the company.

Within the framework of new standards, terms were extended and are now longer than those used under current French GAAP. They are applied retrospectively in accordance with IFRS 1.

Impact on equity at 1 January 2004 amounted to €28 761 thousand (€18 617 thousand after tax).

PPE used within the framework of finance leases have already been recognised as assets in the consolidated accounts and are currently depreciated according to the new depreciation terms.

– Buildings	20 to 30 years
– Equipment and machinery	5 to 10 years
– Vehicles	3 to 5 years
– Furniture and office equipment	5 to 10 years
– Fixtures and fittings	8 to 10 years

> Acquisition goodwill and business combination (IFRS 3)

The first application of IFRS standards will not change the recognition conditions previously used for business combinations and acquisition goodwill. The Group has not restated business combinations prior to 1 January 2004, in accordance with an option included in IFRS 1.

Acquisition goodwill is no longer amortized (no impact on opening balance sheet) but is subject to impairment tests on a periodic basis.

Implementation of impairment tests, according to methods described in IAS 36 has no impact on the opening balance sheet.

The acquisition account difference relates to the reclassification of a business goodwill (brand and market share), which no longer complies with intangible asset recognition criteria (€1,441 thousand).

> Intangible assets (IAS 38)

Application of IAS 38, which essentially relates to valuation, recognition and amortization of intangible assets, had a limited impact on Group consolidated accounts at 1 January 2004.

In order to be recognised, intangible assets have to comply with the asset definition and with a number of criteria. The Group has thus deducted from assets all patent and brand application expenses, as they do not relate to assets acquired by the Group's companies.

In addition, amortization terms were reviewed and determined according to probable duration of use of assets by the company. Within the framework of the new standards, terms were extended and are applied retrospectively in accordance with IFRS 1.

Impact on equity at 1 January 2004 amounted to €3,695 thousand (€2,387 thousand after tax) for all restatements carried out on this class of assets.

Application of IAS 38 principles will compel the Group to recognise certain internally generated non-current assets. Somfy incurs development expenses in relation to computer software or new product development, which were previously treated as expenses for the financial year. From 1 January 2004, development expenses are capitalised in Group accounts, since all criteria required to avail of this recognition method have been fulfilled.

> Employee benefits (IAS 19)

IAS19 does not affect consolidated equity at first application of IFRS standards. The Group has changed its accounting method following CNC recommendation 2003-R.01. Actuarial differences at 31 December 2003 were recognised as a contra-entry to the net opening position at 1 January 2004.

TRANSITION TO IFRS STANDARDS

> Financial instruments (IAS 32, 39)

The Group has elected to apply IAS 39 in its opening balance sheet at 01.01.2004.

- non-consolidated investments, fixed investments or marketable securities are valued at their fair value, according to IFRS standards.

The FAAC Group, which is equity-accounted in Somfy's consolidated accounts, holds assets available for sale (Damartex SA and Somfy SA shares) with a latent gain on disposal. At 1 January 2004, positive difference between book value and realisable amount was €22,139 thousand.

The fair value of marketable securities held by companies of the Somfy group has a positive impact of €573 thousand on Group equity (€373 thousand after tax).

- interest rate and exchange rate derivative instruments that qualify as hedging are recorded under off-balance sheet commitments, in accordance with French GAAP. In application of IAS 39, all derivative instruments must be recognised in the balance sheet, whether the instrument hedges an item recognised on the balance sheet (fair value hedge) or not (cash flow hedge).

At 1 January 2004, recognition in the balance sheet of derivative financial instruments at fair value had an impact of €1,065 thousand (€691 thousand after tax).

Hedging accounting may not be used in IFRS financial statements for financial instruments that may not be considered as hedging instruments, in accordance with IAS 39.

> Treasury shares

The application of IFRS 2 and IAS 32-39 caused changes in treasury share recognition.

The Group holds treasury shares with the following objectives:

- Share price regulation by systematic intervention against market trend,
- Buy or sell transactions according to market conditions,
- Covering share subscription option plans already allocated or to be allocated.

Treasury shares are directly deducted from equity in the opening balance sheet. They were previously recorded under marketable securities, as per regulation 99.02.

Impact on equity was negative at 1 January 2004, in the amount of €10,039 thousand.

According to IFRS 2, share subscription options must be valued at market price at their allocation, then amortized in the income statement over the period of employee acquisition (5 years) for all plans allocated since 7 November 2002. The 2002 and 2003 plans are thus affected according to note 19 of the notes to the consolidated financial statements.

> Deferred taxes

According to provisions of IAS 12, deferred tax relating to all temporary differences must be recognised. As a result, deferred tax for tax impact relating to future distributions of equity accounted companies, which are not recognised under French GAAP), were recognised at 1 January 2004 within the framework of the new standards. It had a negative impact of €800 thousand on equity.

> Translation adjustments

In accordance with the option permitted by IFRS 1, translation adjustments relating to foreign subsidiary translation, which were previously recognised as equity as a separate item from reserves, were transferred from equity to reserves as of 1 January 2004.

> Presentation of financial statements

IAS/IFRS standard application has significant impact on financial information presentation.

According to IAS 1, the balance sheet is presented using a current and non-current element classification. In addition, certain specific rules regarding offset between assets and liabilities led to reclassifications (for instance: pension assets and liabilities).

The income statement may be presented by nature or by function. The Group shall elect presentation by function.

Somfy will communicate information required by IAS 14 using tables, analysing first its operations by geographical areas reflecting the organisation in "Business areas" (first level), followed by segment analysis (second level). Somfy operates in a single business segment: motorization and automatic operation of house and building doors and windows.

> Other standards

Other IAS/IFRS do not require any specific comment and their application does not have any major impact on IFRS opening balance sheet.

Reconciliation of consolidated equity

(In euro thousands)	**01.01.2004**
Consolidated equity according to French accounting standards	**347,552**
Intangible assets (extension of amortisation periods)	2,387
Property, plant and equipment (extension of depreciation periods)	18,617
Treasury shares	-10,039
Fair value of assets available for sale	22,512
Fair value of interest rate hedging instruments	81
Fair value of exchange rate hedging instruments	610
Cancellation of tax impact	-800
Consolidated equity according to IFRS standards	**380,922**

TRANSITION TO IFRS STANDARDS

Reconciliation of consolidated balance sheet

In euro thousands	01.01.2004 ACCORDING TO FRENCH STANDARDS *	ADJUSTMENTS	01.01.2004 ACCORDING TO IFRS STANDARDS
NON-CURRENT ASSETS			
Acquisition goodwill	23,214	-	23,214
Net intangible assets	9,455	3,695	13,150
Net property, plant and equipment	84,002	28,761	112,763
Equity accounted subsidiaries	60,919	21,339	82,258
Financial assets	31,557	358	31,915
Other receivables	3,024	-	3,024
Deferred tax assets	12,955	337	13,292
Asset derivative instruments	0	125	125
	225,126	**54,615**	**279,741**
CURRENT ASSETS			
Inventories	64,799	-	64,799
Trade receivables	92,975	-	92,975
Other receivables	14,169	-	14,169
Tax assets receivables	4,738	-	4,738
Financial assets	35,179	-9,912	25,267
Asset derivative instruments	0	2,757	2,757
Cash and cash equivalents	98,024	-1,008	97,016
	309,884	-8,163	301,721
TOTAL ASSETS	**535,010**	**46,452**	**581,462**

In euro thousands	01.01.2004 ACCORDING TO FRENCH STANDARDS *	ADJUSTMENTS	01.01.2004 ACCORDING TO IFRS STANDARDS
EQUITY			
Share capital	7,837	-	7,837
Share premium	1,866	-	1,866
Revaluation surplus	5,930	-	5,930
Other reserves	331,919	33,370	365,289
	347,552	**33,370**	**380,922**
including:			
Group share	*347,571*	*33,370*	*380,941*
Minority interests	*-19*	-	*-19*
NON-CURRENT LIABILITIES			
Long-term provisions	4,537	-	4,537
Financial liabilities	26,525	-	26,525
Commitments to personnel	10,121	-	10,121
Deferred tax liabilities	7,000	12,361	19,361
	48,183	**12,361**	**60,544**
CURRENT LIABILITIES			
Short-term provisions	4,586	-	4,586
Financial liabilities	22,048	-	22,048
Trade payables	56,975	574	57,549
Other payables	36,717	-	36,717
Tax liabilities	18,949	-	18,949
Liability derivative instruments	0	147	147
	139,275	**721**	**139,996**
TOTAL EQUITY AND LIABILITIES	**535,010**	**46,452**	**581,462**

* French accounting principles according to the IFRS method of presentation.

The Board.

SOMFY SA FINANCIAL STATEMENTS FOR THE FIVE LAST FINANCIAL YEARS

In euro thousands

	2000/2001
1. Financial position at balance sheet date	
a) Equity	7,907
b) Number of shares issued	7,906,810
c) Number of bonds convertible into shares	-
2. Overall results of current operations	
a) Sales before tax	82
b) Profit before tax, depreciation and provisions	44,464
c) Income tax	-11,981
d) Profit after tax, depreciation and provisions	59,404
e) Distributed profit	30,046
3. Operation results per share	
a) Profit after tax, but before depreciation and provisions	7.14
b) Profit after tax, depreciation and provisions	7.51
c) Dividend distributed per share	3.80
4. Workforce	
a) Number of employees	12
b) Total payroll	715
c) Amount paid in relation to social benefits (Social security, charities, etc.)	274

2001/2002	2002	2003	2004
7,837	7,837	7,837	7,837
7,836,800	7,836,800	7,836,800	7,836,800
-	-	-	-
97	1,049	2,220	3,111
31,857	-28,470	22,832	63,452
-6,981	-1,127	-3,463	3,022
38,738	-27,381	24,429	66,865
29,780	14,890	32,915	36,049
4.96	-3.49	3.36	7.71
4.94	-3.49	3.12	8.53
3.80	1.90	4.20	4.60
8	8	6	9
641	109	447	413
221	46	190	155

CONSOLIDATED **FINANCIAL DOCUMENTS**

CONSOLIDATED BALANCE SHEET
ASSETS

In euro thousands	NOTES	31.12.04 NET	31.12.03 NET
NON-CURRENT ASSETS			
Acquisition goodwill	(1)	86,739	21,773
Intangible assets	(2)	9,451	10,897
Property, plant and equipment	(3)	87,610	84,002
Financial investments	(4)	26,195	26,849
Equity accounted investments	(5)	81,678	60,919
TOTAL		**291,673**	**204,440**
CURRENT ASSETS			
Inventory	(6)	71,311	64,799
Trade receivables	(7)	101,435	92,975
Other receivables	(7)	34,527	36,427
Marketable securities	(8)	49,026	108,913
Cash	(8)	40,865	28,111
TOTAL CURRENT ASSETS		**297,164**	**331,225**
TOTAL ASSETS		**588,837**	**535,665**

EQUITY AND LIABILITIES

In euro thousands	NOTES	31.12.04	31.12.03
EQUITY			
Share capital		7,837	7,837
Share, merger and transfer premiums		1,866	1,866
Reserves and retained earnings		385,839	348,072
Other equity		-7,641	-6,146
TOTAL EQUITY		**387,901**	**351,629**
MINORITY INTEREST		**27**	**-19**
PROVISIONS FOR LIABILITIES AND CHARGES	**(9)**	**17,284**	**14,377**
LIABILITIES			
Borrowings*	(11-14)	54,039	48,628
Trade payables	(13)	68,284	58,324
Other liabilities		61,302	62,726
TOTAL LIABILITIES		**183,625**	**169,678**
TOTAL EQUITY AND LIABILITIES		**588,837**	**535,665**
* Non-current upon issue.		51,883	38,335

CONSOLIDATED **FINANCIAL DOCUMENTS**

CONSOLIDATED INCOME STATEMENT

In euro thousands	NOTES	31 12 04 (12 MONTHS)	31 12 03 (12 MONTHS)
Sales		569,080	517,102
Other operating revenues		4,150	5,196
Cost of sales		179,203	163,080
Personnel costs		158,841	146,663
Other operating expenses		92,781	84,705
Duties and taxes		6,595	5,550
Depreciation, amortization & provision charges		21,859	24,943
OPERATING PROFIT		**113,951**	**97,357**
NET FINANCE COSTS	**(15)**	**-2,980**	**-887**
PROFIT FROM ORDINARY ACTIVITIES		**110,971**	**96,470**
NET EXCEPTIONAL INCOME/(EXPENSE)	**(16)**	**-1,914**	**200**
PROFIT BEFORE TAX		**109,057**	**96,670**
Income tax	(17)	35,586	32,158
PROFIT BEFORE ACQUISITION GOODWILL AMORTIZATION AND SHARE OF ASSOCIATE EARNINGS		**73,471**	**64,512**
Share of associate companies earnings		11,562	5,065
Acquisition goodwill amortization	(1)	10,825	4,940
GROUP NET PROFIT		**74,208**	**64,637**
Minority interest		31	-6
Net profit		74,177	64,643
EARNINGS PER SHARE (IN EURO) - BASIC		**9.47**	**8.25**
EARNINGS PER SHARE (IN EURO) - DILUTED		**9.47**	**8.25**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In euro thousands	SHARE CAPITAL	SHARE PREMIUM	RESERVES/ RETAINED EARNINGS	NET PROFIT FOR YEAR	TRANSLATION ADJUSTMENT	TOTAL EQUITY
At 31 December 2002	**7,837**	**1,866**	**276,272**	**21,799**	**-1,644**	**306 131**
Allocation of net profit	-	-	21,799	-21,799	-	0
Dividend distribution	-	-	-14,624	-	-	-14,624
Translation adjustment	-	-	-	-	-4,502	-4,502
Other reserve movements*	-	-	-18	-	-	-18
2003 (12 months) net profit	-	-	-	64,643	-	64,643
At 31 December 2003	**7,837**	**1,866**	**283,429**	**64,643**	**-6,146**	**351,629**
Allocation of net profit			64,653	-64,643		10
Dividend distribution			-32,336			-32,336
Translation adjustment					-1,495	-1,495
Other reserve movements*			-4,085			-4,085
2004 (12 months) net profit				74,177		74,177
At 31 December 2004	**7,837**	**1,866**	**311,661**	**74,177**	**-7,641**	**387,901**

* Impact at 1 January of application of the recommendation from the CNC (French National Accounting Council) regarding recognition and valuation of pension benefits.

CONSOLIDATED **FINANCIAL DOCUMENTS**

CONSOLIDATED CASH FLOW STATEMENT

In euro thousands	31.12.04 12 MONTHS	31.12.03 12 MONTHS
OPERATING ACTIVITIES		
Group net profit	**74,208**	**64,637**
Elimination of share of associate companies' earnings	-11,562	-5,065
Elimination of non-cash items:		
- Depreciation, amortization and provision charges	32,534	28,754
- Gain/Loss on disposal of non-current assets	-35	143
Cash generated from operations	**95,145**	**88,469**
- Inventory net movements	-2,287	4,460
- Trade receivables net movements	-772	-10,090
- Trade payables net movements	32	729
- Other working capital net movements	-280	16,628
Total working capital net movements	**-3,307**	**11,727**
NET CASH FROM OPERATING ACTIVITIES (A)	**91,839**	**100,196**
INVESTING ACTIVITIES		
Acquisition of non-current assets:		
- Intangible assets	2,896	2,007
- Property, plant and equipment	18,714	17,387
- Financial investments	70,903	2,177
Disposal of non-current assets	-808	-2,162
Changes in group structure	-5,208	-251
NET CASH USED IN INVESTING ACTIVITIES (B)	**86,497**	**19,158**
FINANCING ACTIVITIES		
Dividends paid to parent company shareholders	-30,559	-12,347
Increase in share capital	-29	-
Net increase in borrowings	-12,889	-34,341
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**-43,477**	**-46,688**
Impact of exchange rate changes (D)	**-415**	**-1,810**
INCREASE IN CASH AND CASH EQUIVALENTS (A-B+C+D)	**-38,550**	**32,540**
CASH AND CASH EQUIVALENTS – OPENING BALANCE	**128,116**	**95,576**
CASH AND CASH EQUIVALENTS – CLOSING BALANCE	**89,566**	**128,116**
VARIATION IN CASH (closing balance - opening balance)	**-38,550**	**32,540**

* Including acquisition of BFT: euro 70.8 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for Somfy SA Group for the financial period ending 31 December 2004 cover a twelve-month period. The Group had K €588,837 in assets at 31 December 2004 and realised a group net profit and net profit of K €74,177 and K €74,208 respectively for the year then ended.

The consolidated financial statements have been prepared in accordance with French generally accepted accounting principles, including CRC regulation 99-02 of 29 April 1999, effective since 1 July 2000.

The Group applies all of the recommended methods defined in CRC 99-02, notably:

- the recording of a provision for all pension benefit commitments and related commitments
- the restatement of finance lease transactions
- the use of the progress method for long-term contracts
- the recording in the consolidated income translation adjustments recorded in the accounts of Group companies
- the allocation over the term of the loan of borrowing costs and bond issue and redemption premiums.

All asset, liability, revenue and expense items included in the consolidated financial statements have been valued using standard Group methods. Other restatements recorded, pursuant to CRC 99-02, include:

- the cancellation of parent companies' provisions for investments and receivables from subsidiaries
- the elimination of all inventory and guaranteed provisions holding gains arising from intra-Group transactions, with the corresponding tax impact adjusted accordingly
- the elimination of dividends and all capital gains and losses arising from intra-Group transactions.

Change of consolidation methods

From 1 January 2004, the Group applied all provisions of CNC recommendation 2003-R.01 relating to recognition and evaluation of pension commitments and related benefits.

Due to this change, the Group recognised in particular a prior actuarial loss in opening net assets, which had not been recorded previously.

This change had an impact of €4.0 million after tax and was deducted from equity.

All provisions that were applied in relation to pension commitments and related benefits are analysed in note 10 of the notes to the consolidated financial statements.

Note 1 - Consolidation scope

1-1 Changes in consolidation scope

At the end of March 2004, Somfy SA acquired the Italian company BFT for a total amount of €92 million, including €23 million in debt. This company was included in Group financial statements for 9 months. At 31 December 2004, the BFT group contributed €76.6 million to goodwill, €12.1 million to property, plant and equipment and €44.6 million to sales.

Following recent changes within the Board of Directors of Gaviota-Simbac, companies that were proportionally consolidated up to 31 December 2003 are now equity accounted. This sub-group contributed €24.1 million to sales at 31 December 2003.

In addition, four new companies were established and consolidated during the first half of 2004: Somfy Turkey, Sitem, Domaster and BFT England.

Considering the limited impact on Group financial statements, these changes in consolidation scope did not require pro forma financial statements to be presented.

CONSOLIDATED **FINANCIAL DOCUMENTS**

Consolidated and equity accounted companies at 31 december 2004

All companies have 31 December 2003 year-ends, except those with a 30 June 2003 year-end identified by (1).

COMPANY NAME	HEAD OFFICE	SIREN NUMBER (FRENCH COMPANIES)	% CONTROLLED 31.12.04	% HELD 31.12.04	% HELD 31.12.03
Somfy SA	74300 Cluses (France)	476.980.362	(parent company)	-	-
Fully consolidated companies					
Fontenoy-Malvart SNC	01210 Ferney-Voltaire (France)	342.895.612	100.00	100.00	100.00
DSG (1)	Mouscron (Belgium)		99.98	99.98	99.98
Somfy S.A. S	74300 Cluses (France)	303.970.230	100.00	100.00	100.00
Spirel SAS	73660 St Rémy de Maurienne (France)	301.857.744	100.00	100.00	100.00
Somfy GmbH	Rottenburg (Germany)		100.00	100.00	100.00
Somfy Ges.mb H.	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	Praha (Czech Republic)		100.00	100.00	100.00
Somfy AB	Limhamn(Sweden)		100.00	100.00	100.00
Somfy BV	Hoofddorp (The Netherlands)		100.00	100.00	100.00
Somfy Systems Inc.	Cranbury NJ (USA)		100.00	100.00	100.00
Somfy Italia SRL	Trezzano sul Naviglio (Italy)		100.00	100.00	100.00
Somfy AG	Bassersdorf (Switzerland)		100.00	100.00	100.00
Somfy K.K.	Yokohama (Japan)		100.00	100.00	100.00
Somfy Espana SA	Barcelona (Spain)		100.00	100.00	100.00
NV Somfy SA	Zaventem (Belgium)		100.00	100.00	100.00
Somfy Middle East Co Ltd	Limassol (Republic of Cyprus)		100.00	100.00	100.00
Somfy Ltd	Yeadon (England)		100.00	100.00	100.00
Somfy PTY Ltd	Rydalmere (Australia)		100.00	100.00	100.00
Somfy Joo	Seoul (Korea)		100.00	100.00	100.00
Somfy PTE Ltd	Singapore		100.00	100.00	100.00
Somfy Co Ltd	Hong Kong		100.00	100.00	100.00
Somfybat SNC	74300 Cluses (France)	377.887.161	100.00	100.00	100.00
Somfy Morocco SARL	Casablanca (Morocco)		100.00	100.00	100.00
Somfy Hellas SA	Athenes (Greece)		100.00	100.00	100.00
Somfy Mexico SA DE CV	Edo de Mex. (Mexico)		100.00	100.00	100.00
Somfy Brazil LTDA	Sao Paulo (Brasil)		100.00	100.00	100.00
Somfy India Pvt Ltd	New Dehli (India)		100.00	100.00	100.00
Simu SAS	70100 Gray (France)	425.650.090	100.00	100.00	100.00
Simu U.S.A. Inc	Boca Raton FL (USA)		100.00	100.00	100.00
Simbac GmbH	Iserlohn (Germany)		100.00	100.00	100.00
Simu RT SPOL SRO	Zlin (Czech Republic)		100.00	100.00	100.00
Manaras USA LLC	Newark NJ (USA)		100.00	100.00	100.00
Somfy ULC	Halifax (Canada)		100.00	100.00	100.00
Hal en Co BV	Maastricht (The Netherlands)		100.00	100.00	100.00
WAY SRL	Galliera Bologne (Italy)		100.00	100.00	100.00
Siminor SAS	92230 Gennevilliers (France)	775.695.497	100.00	100.00	100.00
Siminor Technologies Castres SARL	81100 Castres (France)	333.277.267	100.00	100.00	100.00
Markis & Persienn Pagarna AB	Lund (Sweden)		99.95	99.95	99.95
Domis SA	74150 Rumilly (France)	422.485.359	100.00	100.00	100.00
Harmonic Design	California 91355 (USA)		100.00	100.00	100.00
Sisa Home Automatisation LTD	Rishone Le Zion (Israel)		100.00	100.00	100.00
Somfy China LTD	Shanghai (China)		100.00	100.00	100.00
SITEM	Tunis (Tunisie)		100.00	100.00	-
Domaster SAS	Cluses (France)	452.475.460	100.00	100.00	-
Somfy Ev Otomasyon Sistemleri Ticalet Ltd Sti	Usküd (Turkey)		100.00	100.00	-
BFT Holding Spa	Milan (Italy)		100.00	100.00	-
BFT Spa	Schio (Italy)		100.00	100.00	-
SARL Automatismes BFT France	Lyon (France)	398.376.350	100.00	100.00	-
Automatismo BFT centro SL	Barcelona (Spain)		91.50	91.50	-
BFT Torantriebssysteme Gmh	Furth (Germany)		60.00	60.00	-
BFT Automation UK Limited	Stockport (England)		100.00	100.00	-
Equity accounted companies					
Faac Spa	Bologna (Italy)		34.00	34.00	34.00
Devianne	59290 Wasquehal (France)	318.650.272	47.50	47.50	47.50
Primvet	59290 Wasquehal (France)	316.916.246	47.50	47.50	47.50
Cevimod	59290 Wasquehal (France)	327.323.770	47.50	47.50	47.50
Carrare	59290 Wasquehal (France)	402.757.439	47.50	47.50	47.50
Disport	59290 Wasquehal (France)	314.515.206	47.50	47.50	47.50
Gaviota Simbac SL	Sax Alicante (Spain)		46.50	46.50	46.50
Simbac Spa	Mezzago (Italy)		46.50	46.50	46.50
BFT France	Marseille (France)	389.823.352	30.00	30.00	-

1-2 Consolidation methods

Assets and liabilities of companies directly or indirectly controlled by Somfy International SA (ownership interest exceeds 50%) are consolidated using the full consolidation method, which includes the recognition of minority interests for any shareholdings not held by the Group.

Companies in which Somfy International SA exercises significant influence are accounted for using the equity method. Significant influence is ordinarily deemed to have occurred when the Group's holdings in a subsidiary exceed 20%. However, other factors such as effective participation on the Board of Directors or involvement in the management of the company are taken into account. Major equity accounted investments include the Faac, Devianne and Gaviota-Simbac Groups.

Somfy SA is no longer a party to any joint venture.

A few companies, which are not included in the consolidation scope, fulfill the above conditions. None of them are of any significance, with the exception of Agta Record, and would have any material impact on the Group's consolidated financial statements.

The Agta Record company, of which 24.93 % is held by the Group, does not fulfil the necessary conditions to be equity accounted.

1-3 Foreign exchange translation

> 1-3-1 Translation of foreign currency denominated transactions

All foreign currency denominated transactions are translated into Euros, either at the exchange rate on the transaction date or at the budgeted rate. Any exchange gains or losses arising from differences between this rate and the exchange rates obtained ultimately from the transaction, after taking any hedge cover into account, are recorded in the Income Statement.

Debts and receivables in foreign currencies are translated at year-end exchange rates, with any exchange gains or losses arising from differences between the historical rate and year-end rate recorded in the consolidated Income Statement, after taking into account the impact of hedges.

List of companies not included consolidation

In euro thousands

	EQUITY AT 31.12.04	% HELD	GROSS VALUE	NET VALUE
SIMU RT (Prague)	NS	99.00%	NS	NS
Vimart	23	100.00%	63	23
Simbac Lebanon	356	50.00%	429	429
Agta Record	78,280*	24.93%	23,358	23,358

* Including net profit for the financial year: € 9,210 thousand.

1-3-2 Translation of foreign currency denominated financial statements

Assets and liabilities in foreign currencies are translated at the year-end exchange rate, while Income Statement items are translated at the average exchange rate for the period 1 January to 31 December 2004, with any differences on translation recorded as a translation adjustment in the consolidated financial statements equity section.

When a foreign company is disposed of or liquidated, any translation adjustments specific to it are transferred to the Income Statement.

1-4 Year-end date

The consolidated financial statements were prepared using a 31 December year-end. Companies with different year-end dates prepared interim financial statements at this date.

1-5 Acquisition goodwill

> 1-5-1 Valuation method

Acquisition goodwill is determined at the date of acquisition of a company, by establishing the difference between the fair value of total assets and liabilities of the acquired company and its acquisition cost.

Acquisition goodwill is amortized on a straight-line basis, between 8 and 12 years for commercial companies and between 10 and 20 years for industrial companies. The amortization periods can be adjusted to reflect set targets and anticipated strategic and commercial prospects.

Exceptional amortization is recorded to reflect any long-term negative developments of significance.

In addition, differences arising between the purchase cost of a stake in a company and the corresponding share in this company's net assets result in the restatement of the values of these identifiable assets and liabilities at the date of their inclusion in the consolidation scope, to reflect any differences in value arising from the ownership stake. The Group avails itself of the financial year following the year of acquisition to finalise these valuations and record the necessary adjustments.

> 1-5-2 Analysis of movements

At the end of March 2004, Somfy SA acquired the Italian company BFT. €76.6 million in goodwill arose on this occasion, to be amortized over 8 years.

Impairment tests are carried out on a regular basis to validate acquisition goodwill recognised in the balance sheet. These tests follow the discounted cash flow method, on the basis of performance forecasts.

In euro thousands	GROSS VALUE 31.12.03 STRUCTURE	CHANGE IN GROUP	TRANSLATION ADJUSTMENT	GROSS VALUE 31.12.04 31.12.04	AMORTIZATION CHARGE 31.12.04	ACCUMULATED AMORTIZATION	NET VALUE 31.12.04
BFT	-	76,658	-	76,658	7,187	7,187	69,471
Simu SAS	18,605	-	-	18,605	1,240	17,983	622
Faac Spa	10,454	-	-	10,454	621	9,832	622
WAY SRL	11,761	-	-	11,761	783	5,229	6,532
Gaviota & Simbac SL	13,136	-1,736	-	11,400	725	3,057	8,343
Domis	1,586	-	-	1,586	198	693	893
Other (1)	14,716	-	-22	14,694	71	14,438	256
TOTAL	**70,258**	**74,922**	**-22**	**145,158**	**10,825**	**58,419**	**86,739**

(1) Insignificant or fully amortised amounts.

Note 2 - Intangible assets

2-1 Valuation methods

Intangible assets primarily comprise of:

- ERP information systems software, which is amortized on a straight-line basis over a period of 3 to 5 years, reflecting its useful economic life,
- patents, particularly those covering low-voltage electronic systems that were acquired during the financial period with the purchase of Harmonic Design,
- business goodwill, which is not amortized but is subject to write-downs when its fair market value falls below its book value. It primarily relates to the Group's Bosch motorised garage doors and rolling shutters operations, whose business goodwill has been fully amortized.

2-2 Analysis of movements

In euro thousands	BALANCE 31.12. 03	INCREASES	DECREASES	OTHER MOVEMENTS	BALANCE 31.12.04
Gross values					
Patents and software	25,652	1,774	-929	-963	25,534
Business goodwill	4,088	-	-653	0	3,435
Other intangible assets	30	1,080	-8	377	1,479
Advances and prepayments	**379**	**42**	**-**	**-303**	**118**
TOTAL - GROSS VALUE	**30,149**	**2,896**	**-1,590**	**-889**	**30,566**
Accumulated amortization					
Patents and software	-15,317	-3,300	824	249	-17,544
Business goodwill	-3,921	-89	658	5	-3,347
Other intangible assets	-14	-17	8	-201	-224
TOTAL - ACCUMULATED AMORTISATION	**-19,252**	**-3,406**	**1,490**	**53**	**-21,115**
TOTAL - NET VALUE	**10,897**	**-510**	**-100**	**-836**	**9,451**

(1) Other movements relate to inclusion in consolidation scope, change in consolidation methods and translation adjustments.

2-3 Research and Development costs

Research and Development costs incurred by the Somfy International Group are not capitalised and accordingly are expensed as incurred.

Note 3 - Property, plant and equipment (PPE)

3-1 Valuation methods

PPE assets are recorded at their acquisition or production cost and include all costs necessary to make them operational.

Buildings and lands acquired through finance leases are recorded as an asset at their historical cost, with the corresponding debt recorded as borrowings.

Under normal operating conditions, the use of straight-line depreciation throughout the Group is considered economically justified based on the following average useful lives:

- Buildings	15 to 20 years
- Equipment and tools	3 to 10 years
- Transport vehicles	3 to 5 years
- Office furniture and equipment	5 to 10 years
- Fixtures and fittings	8 to 10 years
- Computer hardware	3 to 5 years

These assets are written down when their net book value exceeds their value in use or probable realisable value where it concerns an asset that can be disposed of separately.

3-2 Analysis of movements

In euro thousands	BALANCE 31.12. 03	INCREASES	DECREASES	OTHER MOVEMENTS	BALANCE 31.12.04
Gross values					
Land	5,617	-	-	848	6,465
Land - finance leases	2,402	-	-	1,867	4,269
Buildings	26,494	638	-63	-665	26,404
Buildings - finance leases	33,877	56	-	2,600	36,533
Machinery, equipment and tools	119,082	6,582	-3,733	3,679	125,610
Machinery, equipment and tools - finance leases	1,076	-	-	-	1,076
Other PPE	24,220	2,868	-1,831	1,319	26,576
PPE under construction	3,384	7,684		-5,363	5,705
Advances and prepayments	1,026	309	-	-101	1,234
TOTAL - GROSS VALUE	**217,178**	**18,137**	**-5,627**	**4,184**	**233,872**
Accumulated depreciation					
Land	-98	-7	-	-	-105
Buildings	-11,982	-1,411	63	752	-12,578
Buildings - finance leases	-12,491	-1,675	-	-340	-14,506
Machinery, equipment and tools	-89,799	-11,704	3,504	-647	-98,646
Machinery, equipment and tools - finance leases	-416	-215	-	-	-631
Other PPE	-18,390	-2,607	2,415	-1,214	-19,796
TOTAL - ACCUMULATED DEPRECIATION	**-133,176**	**-17,619**	**5,982**	**-1,449**	**-146,262**
TOTAL - NET VALUE	**84,002**	**518**	**355**	**2,735**	**87,610**

(1) Other movements relate to inclusion in consolidation scope, change in consolidation methods and translation adjustments.

3-3 Mortgages

Mortgages on PPE as guarantees for bank loans amounted to €1,623,000 at 31 December 2004.

Note 4 - Financial investments

4-1 Valuation methods

Investments in companies accounted for under the full consolidation method have been fully eliminated, replaced by the assets and liabilities of these companies.

Other equity investments are carried at acquisition cost. Provisions are established in the event their market value falls below cost.

Deposits paid to landlords are reported as other financial investments.

4-2 Analysis of movements

in euro thousands	BALANCE 31.12. 03	INCREASES	DECREASES	OTHER MOVEMENTS	BALANCE 31.12.04
Gross values					
Long-term equity investments*	24,536	-	-11	-663	23,862
Other equity investments	89	-	-	-	89
Loans	202	-	-28	16	190
Other financial investments	2,202	110	-122	45	2,235
TOTAL - GROSS VALUE	**27,029**	**110**	**-161**	**-602**	**26,376**
Provision for writedowns	-180	11	-	-12	-181
TOTAL - NET VALUE	**26,849**	**121**	**-161**	**-614**	**26,195**

(*) This account mainly comprises the Agta Record investment (€ 23,358 thousand).

4-3 Analysis of market value of long-term equity investments

In euro thousands	GROSS VALUE	NET VALUE	MARKET VALUE
As at 31 December 2004	23,951	23,898	43,433
comprising:			
Agta Record	23,358	23,358	43,433
Other	593	540	not listed

Note 5 – Equity accounted investments

5-1 Valuation methods

Equity investments in companies accounted for under the equity method reflect the Group's stake in the net assets of these companies in the consolidated financial statements.

The equity accounted investment primarily comprises the Faac Group, who had total assets of €206.4 million at 31 December 2004, including €28.7 million in non current assets and €177.7 million in current assets. In addition, the Faac Group has a significant financial surplus and no long-term indebtedness.

5-2 Analysis of movements

In euro thousands	31.12.04 (12 MONTHS)	31.12.03 (12 MONTHS)
Share of opening net assets	60,919	58,425
Change in Group structure (1)	11,029	-
Pro-rata share of net profit	11,562	5,065
Less: dividends received	-1,778	-2,277
Translation adjustment	-54	-294
Share of closing net assets	**81,678**	**60,919**

(1) Equity accounting of Devianne Group and Gaviota-Simbac.

Note 6 - Inventory

6-1 Valuation methods

Materials, supplies and finished goods are valued at their purchase or production cost, as appropriate. Merchandise resold in its original state is generally valued using the weighted-average cost method. Inventory and work-in-process are written down when their probable net realisable value is lower than their purchase or production cost.

Holding gains arising from the sale of inventory between Group companies are eliminated, with the corresponding tax impact adjusted accordingly.

6-2 Analysis of movements

In euro thousands	31.12.04	31.12.03
Gross values		
Raw materials and supplies	19,726	19,689
Finished goods and merchandise	61,338	54,926
TOTAL - GROSS VALUE	**81,064**	**74,615**
Provision for writedowns	-9,753	-9,816
TOTAL - NET VALUE	**71,311**	**64,799**

In euro thousands	BALANCE 31.12.03	WRITEDOWN CHARGES	TRANSLATION ADJUSTMENT	OTHER MOVEMENTS	BALANCE 31.12.04
Provision for writedowns	-9,816	347	65	-349	-9,753

Note 7 – Trade and other receivables

7-1 Analysis by nature

Trade and other receivables

In euro thousands	31.12.04	31.12.03
Gross value	**107,271**	**98,926**
Provision for writedowns	-5,836	-5,951
TOTAL - NET VALUE	**101,435**	**92,975**

Other receivables and accruals

In euro thousands	31.12.04	31.12.03
Gross value		
Other operating receivables	5,662	6,485
Current accounts - receivable	1,572	823
Miscellaneous receivables and uncalled subscribed share capital	8,834	14,128
Prepaid expenses and deferred charges	3,368	2,925
Deferred tax assets	15,675	12,650
TOTAL - GROSS VALUE	**35,111**	**37,011**
Provision for writedowns	-584	-584
TOTAL - NET VALUE	**34,527**	**36,427**

In euro thousands	BALANCE 31.12.03	WRITEDOWN CHARGES	TRANSLATION ADJUSTMENT	OTHER MOVEMENTS	BALANCE 31.12.04
Provisions for writedowns					
Trade receivables	-5,951	140	-7	-18	-5,836
Other receivables and accruals	-584	-	-	-	-584

7-2 Analysis by maturity

In euro thousands	TOTAL 1 YEAR	WITHIN 1 YEAR	AFTER 1 YEAR
Trade receivables	**107 271**	**107 271**	**0**
Others receivables and accruals	**35 111**	**27 744**	**7 367**
Other operating receivables	5 662	5 662	-
Current accounts - receivable	1 572	-	1 572
Miscellaneous receivables and uncalled subscribed share capital	8 834	3 117	5 717
Prepaid expenses and deferred charges	3 368	3 290	78
Deferred tax assets	15 675	15 675	-

No receivables are due after a period of 5 years.

Note 8 - Cash and marketable securities

8-1 Analysis by nature

In euro thousands	31.12.04	31.12.03
Treasury shares	10,409	10,288
Other securities	38,934	99,068
TOTAL - Marketable Securities	**49,343**	**109,356**
Cash	40,865	28,111
TOTAL - GROSS VALUE	**90,208**	**137,467**
Provision for writedowns	-317	-443
TOTAL - NET VALUE	**89,891**	**137,024**

In euro thousands	BALANCE 31.12.03	WRITEDOWN CHARGES	TRANSLATION ADJUSTMENT	OTHER MOVEMENTS	BALANCE 31.12.04
Provision for writedowns					
Marketable securities	-443	119	-	7	-317

Marketable securities are written down when their market value is less than their book cost.

8-2 Market value of marketable securities

In euro thousands	GROSS VALUE	NET VALUE	MARKET VALUE
As at 31 December 2004	49,343	49,026	53,675

Note 9 - Provisions for liabilities and charges

9-1 Valuation methods

Provisions for liabilities and charges are established to provide for the potential financial consequences arising from litigation, breach of contract and returned goods, as well as to provide for likely charges arising from various commitments, including pension and income tax. They are classified by their nature and by the probable timing of their realisation. A provision's charge or reversal is based on the recurring nature of an operating or financial item or its exceptional nature.

Disclosure of additional information regarding provisions for lawsuits may seriously prejudice the Company's position in lawsuits opposing the Company and third parties.

All provisions are revalued and readjusted at year-end.

9-2 Analysis of movements

Provisions for short-term liabilities and charges are treated as liabilities in the Consolidated Cash Flow Statement.

Provision charges amounted to €1.3 million and primarily impacted exceptional expenses.

In euro thousands	BALANCE 31.12.03	PROVISION CHARGES	PROVISION REVERSALS	UNUSED REVERSALS	OTHER MOVEMENTS	BALANCE 31.12.04
Provisions for long term liabilities and charges	11,135	2,320	-900	-724	1,644	13,475
Provisions for short term liabilities and charges	3,242	1,746	-1,022	-132	-25	3,809
TOTAL	**14,377**	**4,066**	**-1,922**	**-856**	**1,619**	**17,284**
	31.12.03	**31.12.04**				
Provision for litigation	3,990	3,703				
Provision for miscellaneous charges	1,755	3,532				
Provision for pension benefits	4,834	4,142				
Provision for returns and customer guarantees	3,798	5,907				
TOTAL	**14,377**	**17,284**				

Note 10 – Employee benefits

At 1 January 2004, the Group changed its accounting method in line with CNC recommendation 2002 – R.01. A provision was established in the financial statements at 1 January 2004 for actuarial differences recorded at 31 December 2003. Impact on Group equity amounted to a gross value of €4.3 million, and a net value of €4.0 million.

With respect to pension commitments, the Group contributes to pension plans or grants benefits at employee retirement, in compliance with local practices and regulations applicable in each particular country. Benefits granted have been measured.

Differences between the 2003 and 2004 financial years may be analysed as follows:

Retirement commitments - FRANCE

In euro thousands	GROSS COMMITMENTS	ASSETS	NET INITIAL COMMITMENT	BALANCE SHEET POSITION	OFF BALANCE SHEET ITEMS
1 January 2004	**3,604**	**1,088**	**2,250**	**2,250**	**0**
Application of CNC regulation 2003-R01	0	0	0	0	0
Net expenses for the financial year:	**623**	**48**	**564**	**564**	**0**
- Cost of services and financial cost	623	0	612	612	0
- Fund performance	0	48	-48	-48	0
- Spread of differences	0	0	0	0	0
Contribution paid	**-24**	**-24**	**0**	**0**	**0**
Benefits paid	**-74**	**-74**	**0**	**0**	**0**
Actuarial spreads generated	**0**	**0**	**0**	**0**	**0**
Translation adjustments	0	0	0	0	0
Changes in consolidation scope	0	0	0	0	0
31 December 2004	**4,129**	**1,038**	**2,814**	**2,814**	**0**

Retirement commitments - OTHER

In euro thousands	GROSS COMMITMENTS	ASSETS	NET INITIAL COMMITMENT	BALANCE SHEET POSITION	OFF BALANCE SHEET ITEMS
1 January 2004	**13,539**	**8,018**	**5,521**	**1,158**	**4,363**
Application of CNC regulation 2003-R01	0	0	0	4,331	-4,331
Net expenses for the financial year:	**940**	**343**	**597**	**597**	**0**
- Cost of services and financial cost	940	0	940	940	0
- Fund performance	0	343	-343	-343	0
- Spread of differences	0	0	0	0	0
Contribution paid	**0**	**4,758**	**-4,758**	**-4,758**	**0**
Benefits paid	**-2,705**	**-2,555**	**-150**	**-150**	**0**
Actuarial spreads generated	**1,035**	**190**	**845**	**0**	**845**
Translation adjustments	-212	-186	-26	5	-31
Changes in consolidation scope	0	0	0	0	0
31 December 2004	**12,597**	**10,568**	**2,029**	**1,183**	**846**

Employee seniority awards

In euro thousands	01.01.04	2004 COST	BENEFITS PAID	CHANGE IN CONS. SCOPE	31.12.04
Actuarial commitments	950	143	-23	0	1,070

TFR - Severance provision

In euro thousands	01.01.04	2004 COST	BENEFITS PAID	CHANGE IN CONS. SCOPE	31.12.04
Actuarial commitments	1,400	863	-491	745	2,517

Impact on balance sheet is recognised either as:

- a long-term provision (pension benefits, seniority awards…)
- a borrowing, if benefits are due the following year or if it is considered that the commitment will be payable, in view of its nature (severance provision in Italy).

The main assumptions used in calculations are the following:

Actuarial assumptions

At 31 december	2003	2004
Discount rate		
France	5.0%	4.9%
Germany	6.00%	6.00%
USA	7.50%	6.00%
Italy	n/a	n/a
Others	2.0% - 5.0%	2.0% - 5.0%
Long term yield expected from pension plan assets		
France	3.0%	3.0%
Germany	5% - 6%	5% - 6%
USA	7.50%	6.00%
Italy	n/a	n/a
Others	2.3% - 4.5%	2.3% - 4.5%
Future salary increases		
France	2.2 - 3.0%	2.2 - 3.0%
Germany	1.00%	1.00%
USA	2.00%	2.00%
Italy	n/a	n/a
Others	2.5 - 3.5%	2.5 - 3.5%

Note 11 - Borrowings

11-1 Analysis by nature

In euro thousands	31.12.04	31.12.03
Loans from financial institutions	33,038	25,968
Finance leases	19,202	19,689
Other financial loans	1,799	2,971
TOTAL	**54,039**	**48,628**

11-2 Analysis by maturity

In euro thousands	TOTAL	WITHIN 1 YEAR	BETWEEN 1 AND 5 YEARS	AFTER 5 YEARS
Borrowings	**54,039**	**23,746**	**24,050**	**6,243**
Loans from financial institutions	33,038	20,346	12,685	7
Finance leases	19,202	3,136	11,365	4,701
Other financial loans	1,799	264	-	1,535

11-3 Analysis by rate type

Borrowings for all Group companies are mainly at variable rates.

Following an increase of both European and American long-term rates, we deemed it prudent to partially hedge our position.

In euro thousands	HEDGES AT 31.12.04	31.12.04
Variable rate	Rate swap and cap for an amount of euro 35 million	52,471
Fixed rate	None	-
No rate	None	1,568
TOTAL	**-**	**54,039**

11-4 Analysis by currency

In euro thousands	31.12.04	31.12.03
Euro	46,843	40,567
$USD	2,391	2,873
$CAD	2,924	2,957
SEK	994	1,033
Other	887	1,198
TOTAL	54,039	48,628

11-5 Borrowings secured by collateral

In euro thousands	SECURED BORROWINGS 31.12.04	COLLATERAL* 31.12.04
Loans from financial institutions	1,162	1,623

* Collateral is primarily in the form of property mortgages.

11-6 Covenants

At 31 December 2004, Somfy International SA had €105 million in available medium-term loan facilities with five banks, of which €24.0 million had been used.

Funds made available under this arrangement are subject to an undertaking by Somfy International SA to comply with the financial covenants relating to the financial structure of the Group (debt/equity ratio) and its repayment capability (financial debt, cash flow ratio).

All covenants were complied with at 31 December 2004.

Note 12 - Translation risk management

Somfy Group is exposed to translation risks by, on one hand, intra-group sales of manufactured products from France to other countries (denominated in local currencies), and, on the other hand, by the translation into recognition currency (Euro) of subsidiary financial statements at balance sheet date.

However, over 70% of consolidated sales are generated in the Euro zone.

The year 2004 was especially turbulent due to US dollar variations. Actually, the dollar/Euro exchange rate fluctuated in a seemingly narrow range, between 1.22 and 1.26 for one Euro, but month to month, even day to day variations were quick, relentless and sharp. The dollar ended the year at 1.3621, its lowest historical rate. Variations were even more significant in comparison to the beginning of the fourth quarter of 2003, when the 2004 budget assumptions were established, and exceeded 10 %, since the dollar loss in value accelerated from October 2003.

With respect to other currencies, 2004 was a less unfavourable year than 2003. Somfy's NEER (Nominal Effective Exchange Rate: exchange rate adjusted to reflect the share of each country in invoices issued) was only impaired by 4.6% in total in 2004, compared to over 11% in 2003.

Against this background, we have used all market tools made available to us in order to hedge our export positions. Our policy enabled us to avail of better average effective rates than market rates during the year, for all export invoices issued in 2004.

Within the framework of exchange rate risk management, the Company may use financial instruments that can not be designated as hedging instruments according to IAS 39.

Translation adjustments occurring between the hedged rate (and/or currency market selling rate) and the invoicing rate were treated income or as expense for the financial year when a contra-entry had been recognised in the balance sheet.

Future cash flow hedging transactions were deemed symmetrical to the future position.

The Group's policy is to use short sales or option strategies that hedge balance sheet or future items. At 31 December 2004, the fair value of these hedging instruments amounted to €835 thousand.

In euro thousands	HEDGING OF B/S ITEMS	HEDGING OF NON B/S ITEMS	TOTAL
AUD	-	2,574	2,574
CHF	522	3,589	4,111
CZK	223	537	760
GBP	647	680	1,327
HKD	446	-	446
HUF	377	205	582
JPY	1,200	2,423	3,623
PLN	759	682	1,441
SEK	394	3,147	3,541
SGD	62	501	563
USD	588	5,439	6,027
TOTAL	**5,218**	**19,777**	**24,995**

Note 13 - Trade payables and other liabilities

13-1 Analysis by nature

In euro thousands	31.12.04	31.12.03
Trade payables	**68,284**	**58,324**
Other liabilities and accruals	**61,302**	**62,726**
Tax and social security liabilities	36,136	29,884
Other operating liabilities	7,129	5,954
Miscellaneous liabilities	6,826	19,880
Deferred revenues	461	8
Deferred tax liabilities	10,750	7,000

13-2 Analysis by maturity

In euro thousands	TOTAL	WITHIN 1 YEAR	OVER 1 YEAR
Trade payables	**68,284**	**68,284**	**-**
Other liabilities and accruals	**61,302**	**58,786**	**2,516**
Tax and social security liabilities	36,136	33,620	2,516
Other operating liabilities	7,129	7,129	-
Miscellaneous liabilities	6,826	6,826	-
Deferred revenues	461	461	-
Deferred tax liabilities	10,750	10,750	-

Note 14 - Analysis of net financial position

In euro thousands	31.12.04	31.12.03
Cash	40,865	28,111
Marketable securities	49,026	108,913
Current accounts - receivable	1,572	823
Bank overdrafts	-1,925	-9,794
Current account - payables	28	63
Cash and cash equivalents	**89,566**	**128,116**
Non-current borrowings	-51,883	-38,336
Net financial assets	**37,683**	**89,780**

Note 15 - Net finance costs

In euro thousands	31.12.04	31.12.03
Financial income:		
- Finance income including interest received	2,228	2,483
- Foreign exchange gains	2,545	3,495
- Marketable securities disposal gains		0
Financial costs:		
- Interest and other financing expenses	3,482	2,386
- Foreign exchange losses	4,390	5,655
- Net writedown charges/(reversals)	-119	-1,204
- Marketable securities disposal loss	0	28
TOTAL	**-2,980**	**-887**

Translation adjustment

In euro thousands	31.12.04	31.12.03
Amount included in net finance costs	127	12

Note 16 - Net exceptional income/expense

All transactions not directly arising from the ordinary business of the Group are treated as exceptional. The ordinary business of the Group concerns all ongoing and recurring activities, within the framework of the group operating as a going concern. All transactions relating to non-current asset disposals and share capital activities are treated as exceptional items.

In euro thousands	31.12.04	31.12.03
Exceptional income:		
- Operating and investment activities	820	1,972
- On capital transactions	663	1,976
Exceptional costs:		
- Operating and investing activities	995	1,890
- On capital transactions	627	1,660
- Net provision charges/(reversals)	1,775	198
TOTAL	**-1,914**	**200**

Non-recurring profit/loss primarily comprise a provision related to a tax adjustment.

Note 17- Income tax

17-1 Group income tax grouping agreement

The income tax grouping agreement between Somfy International SA and its directly and indirectly owned subsidiaries was renewed on 1 July 2002 for a further 5 years, beginning with the 6-month financial period ending 31 December 2002.

The following companies are a party to this agreement at 31 December 2004: Somfy SA, Fontenoy-Malvart SNC, Somfy SAS, Spirel SAS, Simu SAS, CMC SARL, Somfy Development SAS, Siminor SAS, Siminor Technologies Castres SARL and Domis SA.

Under this agreement, the difference between the sum of income taxes calculated for each company and the total for the tax integrated Group is accounted for as income in the Income Statement of the Group's holding company. A tax benefit of €4.8 million was realised pursuant to this agreement for the financial period under review.

When a subsidiary is no longer a member of the income tax integration group, Somfy International SA compensates it in accordance with the jointly agreed exit procedures, taking into account the situation at that date.

17-2 Determination of income tax

In euro thousands	31.12.04
Profit before tax	**109,057**
Income tax rate	35.42%
	38,628
Difference between rates	-2,999
Permanent differences	-1,709
Unrecognised tax losses	1,434
Taxable income offset against tax losses	-1,898
Tax credits	-879
Taxes and others	3,009
TOTAL	**35,586**
Effective income tax rate	32.63%
Allocated: income tax payable:	**36,211**
Deferred income tax:	**-625**

17-3 Deferred income tax

> 17-3-1 Valuation methods

Deferred income tax arises from temporary differences between the book value of assets and liabilities and their values per Income Tax law, and from restatements made during consolidation within the framework of the standardisation of Group accounting policies. Deferred income tax is calculated using the liability method. The tax rate used in France for the calculation of deferred income tax is 35.42%.

As a matter of prudence, deferred income tax benefits arising from tax losses of companies not included in the income tax integration or prior to entering the tax integration group, have not been recognised where the prospect of recovery is uncertain. These amounted to €4.3 million at 31 December 2004 (tax losses at the standard rate).

> 17-3-2 Analysis by nature

In euro thousands	31.12.04 ASSETS	31.12.04 LIABILITIES
Restatement of Group accounting policies and temporary differences	7,627	8,344
Deferred tax on inventory holding gains	6,902	1,074
Deferred tax on fair market value of PPE	-	1,111
Deferred tax on elimination of intra-Group provisions	-	221
Other	1,146	-
Total	**15,675**	**10,750**

Note 18 - Earnings per share

18-1 Valuation methods

Earnings per share are calculated by dividing the net profit (after goodwill amortisation) for the financial period by the total number of shares in issue (number of shares issued net of treasury shares held).

The basic and diluted earnings per share figures are the same, as the Company has not issued any securities granting access to share capital.

18-2 Determination of Earnings per Share

In euro thousands	31.12.04 12 MONTHS	31.12.03 12 MONTHS	31.12.02 12 MONTHS PRO FORMA
Net profit	74,177	64,643	63,037
Total number of shares issued	7,836,800	7,836,800	7,836,800
Total number of shares in circulation	7,836,800	7,836,800	7,836,800
Earnings per share - Basic (euro)	9.47	8.25	8.04
Earnings per share - Diluted (euro)	9.47	8.25	8.04

There exists no financial instrument that has a diluting effect on the shares of Somfy International SA.

Note 19 – Treasury shares and stock option plans

Treasury shares acquired by the parent company primarily comprised shares acquired for allocation to employees pursuant to a stock option plan, with the remaining shares to be used to stabilise the share price (share liquidity contract).

Treasury shares are recorded at their acquisition cost and include related transaction charges.

A provision for write-down is established by comparing historical value with market value or exercise price, as applicable.

PLAN DATE	NUMBER OF BENEFICIARIES	NUMBER OF SHARES ALLOCATED	RESTATED NUMBER OF SHARES	OPTION EXCERCICE PRICE	RESTATED OPTION EXCERCICE PRICE	OPTION EXPIRY DATE	NUMBER OF UNEXERCISED OPTIONS AT 31.12.04
17.12.1999	55	22,200	25,918	75.00	64.32	17.12.2006	13,533
29.09.2000	69	38,780	45,275	75.00	64.32	31.01.2007	16,572
17.07.2001	51	21,000	24,514	78.00	66.89	31.01.2008	17,537
05.12.2002	54	20,300	20,300	100.00	100.00	31.01.2009	19,300
01.12.2003	62	20,150	20,150	128.00	128.00	31.01.2010	20,150

Note 20 – Off-balance sheet commitments

20-1 Off-Balance Sheet commitments arising from ordinary activities

- **Commitments given**

In euro thousands	31.12.04	31.12.03
- Guarantees *	28,581	2,128
- Interest to be paid over the remaining term of loans	3,756	4,200
- Rents to be paid over the remaining term of leases	8,478	6,541
- Mortgages	1,623	2,322
- Foreign exchange forward sale contracts	19,777	19,664
TOTAL	**62,215**	**34,855**

* ie. A euro 24.6 million deposit pledged by SOMFY SA in relations to a loan repaid early in 2004, which will not be released until 2007.

Foreign exchange forward sale contracts primarily concern sales realised in Australia, Switzerland, the United Kingdom, Japan, the United States and Sweden.

- **Commitments received**

In euro thousands	31.12.04	31.12.03
- Guarantees	3,000	2,153
- Unused lines of credit	95,182	81,916
TOTAL	**98,182**	**84,069**

20-2 Complex commitments

Somfy International Group paid $US 4.5 million on 1 July 2002 to acquire Harmonic Design Inc in full. This acquisition is subject to an 'earn out' option during the first six years, on the basis of sales growth and the maintenance of the gross profit margin.

As this price supplement cannot be accurately estimated, it was not accounted for at 31 December 2004.

Note 21 – Environmental risks

As the majority of Somfy International Group's production sites carry out only assembly work, which does not generate any pollution, the Group is accordingly not exposed to any significant environmental risk.

The Group complied with CNC recommendation 2003-R02 of 21 October 2003, which had no significant impact.

Note 22 – Group workforce

Somfy International Group's average workforce size at 31 December 2004, with temporary and part-time employees recorded on a full-time equivalents basis:

	31.12.04	31.12.03	31.12.02 PRO FORMA
Average workforce size	3,257	3,236	3,081

Note 23 – Management and Supervisory Board members' remuneration

Members of the Management Board and Supervisory Board of Somfy International SA received K €1,400 in remuneration and benefits for the financial period ending 31 December 2004, for services rendered to Group companies.

Note 24 – Segment information

No analysis by business segment is provided as all companies within the Group, regardless of their location, operate within only one identifiable sector of activity: motors and automatic control systems for building openings.

An analysis of sales by geographic region is provided on a secondary basis.

Analysis of sales by geographic region

In euro thousands	31.12.04	31.12.03
- France	170,496	152,862
- Germany	87,767	83,680
- Northern Europe	86,366	78,176
- Central Europe	34,838	31,011
- Southern Europe	101,993	92,240
- Asia and the Pacific	30,824	27,227
- North and South Americas	56,796	51,906
TOTAL	569,080	517,102

Note 25 – Relationships with affiliated companies

Financial and commercial relationships with affiliated companies that are neither equity accounted nor proportionally consolidated primarily relate to the Gaviota-Simbac sub-group.

Operations comprise a €3.3 million current account and ordinary trade operations for an insignificant amount.

Note 26 – Post-balance sheet events

No post-balance sheet event occurred.

SOMFY SA **FINANCIAL RESULTS**

SOMFY SA BALANCE SHEET

In euro thousands	**31.12.2004**	**31.12.2003**
Equity	273,418	289,795
Net profit	66,865	24,429
SHAREHOLDERS' EQUITY	**340,283**	**314,224**
Provisions for liability and charges	2,871	1,980
MLT Debt	24,000	7,000
Group MLT Debt	0	0
PERMANENT FUNDS	**367,154**	**323,204**
Goodwill	0	0
Intangible assets	1	2
Property, plant and equipment	114	327
Investments	480,939	322,392
WORKING CAPITAL	**-113,900**	**483**
Net inventories	0	0
Trade receivables	1,084	0
Other receivables	5,501	16,829
Trade payables	1,339	668
Other payables	3,530	15,374
WORKING CAPITAL REQUIREMENTS	**1,716**	**787**
Asset cash position	34,091	79,521
Asset finance accounts	17,303	14,381
Liability cash position	308	0
Liability finance accounts	166,702	94,206
CASH FLOW	**-115,616**	**-304**

SOMFY SA PROFIT AND LOSS

In euro thousands	31.12.2004 12 MONTHS	31.12.2003 12 MONTHS
Net sales	3,111	2,220
Other income	4	3
Other expenses:	-6,943	-5,643
- Workforce	-578	-637
- Tax and duties	-29	-23
- Advertising	0	0
- Net operating expenses	-6,336	-4,983
- Royalties paid		
Amortisation and provision charges/reversals	391	-1,866
OPERATING LOSS	**-3,437**	**-5,286**
Financial income	**66,942**	**26,090**
PROFIT FROM ORDINARY ACTÌVITIES	**63,505**	**20,804**
Net exceptional income	**338**	**162**
PROFIT BEFORE INCOME TAX	**63,843**	**20,966**
Income tax	3,022	3,463
NET PROFIT	**66,865**	**24,429**

SOMFY SA **FINANCIAL RESULTS**

NOTES TO SOMFY SA FINANCIAL STATEMENTS*

The financial year had a duration of 12 months, from 1 January 2004 to 31 December 2004.

Accounting rules and methods

The annual report for the period ended at 31 December 2004 was established in accordance with French 1999 National Accounting Code standards.

General accounting conventions were applied in accordance with the prudence concept and in compliance with basic assumptions:

- going concern,
- continuity in the application of accounting methods from one financial year to another, with the exception of the change described below,
- independence of financial years and compliance with general rules of annual report preparation and presentation.

The basic method selected for evaluation of accounting items is the historical cost methods.

Since the financial year ended at 30 June 1998, investments in fully controlled companies have been equity accounted.

Shares in controlled companies

The equity accounting method enables Somfy SA to record the share of equity, before allocation of the share of profit the parent company is entitled to, as the value of shares held in each fully controlled and fully consolidated company. Equity is determined after adjustment for harmonisation carried out for consolidation. The net amount of first consolidation non-allocated difference is then added to equity. Equity accounting difference at 31 December 2004 amounting to €159.6 million has been taken directly to equity.

Marketable securities

Gross value of marketable securities is evaluated at purchase cost (excluding additional expenses) or at the value at which it is transferred. Investments securities are evaluated on the basis of stock exchange prices at 31 December 2004 and a provision is established when these prices are below purchase value.

Receivables due from investments and other receivables

Receivable balances are estimated at their nominal value. IA provision for writedown is established when realisable value is below book value.

When the net assets value of investments that are not subject to equity accounting becomes negative, a provision for writedown is established in relation to the above realisable value.

Operating elements

Unlike 2003 when the operating profit of parent company Somfy SA was affected by a charge for provisions for trade litigation, no major event occurred in 2004.

Financial elements

The financial income of parent company Somfy SA essentially comprises dividends received from its subsidiaries for an amount of €67.9 million.

* Detailed Somfy SA accounts are available upon request to Mme Meynard at the company registered office: 50, avenue du Nouveau Monde - F 74300 Cluses.

Exceptional elements

No major exceptional element affected occurred in the 2004 financial year.

Net profit

Net profit amounted thus to €66.9 million and includes in particular a €4.6 million tax grouping on gain.

Tax grouping

The income tax grouping agreement between Somfy International SA and its directly and indirectly owned subsidiaries was renewed on 1 July 2002 for a further 5 years, beginning with the 6-month financial period ending 31 December 2002 as a result of the change of balance sheet date to 31 December.

Under this agreement, the difference between the sum of income taxes calculated for each company and the total for the tax integrated Group is accounted for as income in the Income Statement of Somfy SA, the Group's holding company. A tax benefit of €4.6 million was realised pursuant to this agreement for the financial period under review.

Tax savings generated through losses transferred from loss-making subsidiaries are considered as tax income. However, these companies may become profitable again and use their losses without limitation in time. Somfy S.A. company may have to establish a provision to cover potential repayment of these tax credits. Provision charge is taken to the income statement under income tax and to the balance sheet under provision for liability and charges.

In this respect, Somfy established a provision for €1.6 million at 31 December 2004, in relation to losses transferred by the Siminor SAS subsidiary since it was included in the tax integration group. As regards Fontenoy-Malvart, a structurally loss-making company and which should eventually merge with Somfy SA, no provision was established. The potential liability would amount to €5.1 million.

When a subsidiary is no longer a member of the income tax integration group, Somfy International SA compensates it in accordance with the jointly agreed exit procedures, taking into account the situation at that date.

To date, no tax losses carried forward are available.

SOMFY SA share subscription option plans

There are currently five share subscription option plans. Their main features are described in note 2.

Following the contribution of part of Somfy S.A. assets, as well as the distribution on 1 July 2002 of 7,713,691 DAMARTEX shares, price and number of share subscription options were restated in accordance with provisions of Articles 174-12 and 174-13 of the Decree dated 23 March 1967.

SOMFY SA **FINANCIAL RESULTS**

Note 1 – Financial commitments

In euro thousands	31.12.04	31.12.03
- Guarantees and deposits received	1,000	2,000
- Unused credit lines	81,000	75,000
TOTAL	**82,000**	**77,000**

In euro thousands	31.12.04	31.12.03
- Guarantees and deposits received	34,274	9,485
- Interests on unhedged loans	23	154
TOTAL	**34,297**	**9,639**

Note 2 – restated share subscription option plans following separation from the group (in euros)

PLAN DATE	NUMBER OF BENEFICIARIES	NUMBER OF SHARES ALLOCATED	RESTATED NUMBER OF SHARES	OPTION EXCERCICE PRICE	RESTATED OPTION EXCERCICE PRICE	OPTION EXPIRY DATE	NUMBER OF UNEXERCISED OPTIONS AT 31.12.04
17.12.1999	55	22,200	25,918	75.00	64.32	17.12.2006	13,533
29.09.2000	69	38,780	45,275	75.00	64.32	31.01.2007	16,572
17.07.2001	51	21,000	24,514	78.00	66.89	31.01.2008	17,537
05.12.2002	54	20,300	20,300	100.00	100.00	31.01.2009	19,300
01.12.2003	62	20,150	20,150	128.00	128.00	31.01.2010	20,150

Note 3 - Somfy SA changes in equity

In euro thousands	BALANCE AT 31.12.03 BEFORE ALLOCATION OF PROFIT	ALLOCATION OF 31.12.03 PROFIT	2004 FINANCIAL YEAR MOVEMENTS	BALANCE AT 31.12.04 BEFORE ALLOCATION OF PROFIT	PLANNED ALLOCATION OF 31.12.03 PROFIT	BALANCE AT 31.12.04 AFTER ALLOCATION OF PROFIT
Share capital	**7,837**	**-**	**-**	**7,837**	**-**	**7,837**
Share premium	1,866	-	-	1,866	-	1,866
Reevaluation difference	173,307	-	-7,821	165,486	-	165,486
Legal reserves	791	-	-	791	-	791
Regulated reserves	26,592	-	-	26,592	-26 592	0
Other reserves	79,136	-8,219	-	70,917	57 337	128,254
Retained earnings	266	-266	-71	-71	71	0
Net profit	24,429	-24,429	66,865	66,865	-66 865	0
Regulated provisions	0		0	0		0
	314,224	**-32,915**	**58,973**	**340,283**	**-36 049**	**304,234**
Variation						
Equity after						
Allocation of profit	281,310		22,924			304,234

LEGAL **DOCUMENTS**

STATUTORY AUDITOR'S REPORT ON SOMFY SA FINANCIAL STATEMENTS

Dear shareholders,

In execution of our mandate conferred to us by your General Meeting, we hereby present you our report for the financial year ended 31 December 2004, regarding the following:

- our audit of the accompanying Somfy SA company financial SOMFY SA statements;
- our observations on the audit;
- specific legal verifications and disclosures. Financial year ended 31 December 2004

Financial statements have been prepared by the Management Board. It is our responsibility to express an opinion, on the basis of our audit.

1. Opinion on the financial statements

We have conducted our audit in accordance with French Generally Accepted Auditing Standards. These standards require that we plan to obtain reasonable assurance on whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audit provides a reasonableness basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in accordance with French Generally Accepted Accounting Standards, the financial position of the group as well as the results of all subsidiaries included in the consolidated results.

Without calling into question the opinion expressed above, we bring to your attention the change in accounting method described in the notes to the consolidated financial statements, resulting from the application of Conseil National de la Comptabilité recommendation n° 2003-R01 relating to the recognition and evaluation of pension benefits and similar benefits.

2. Audit observations

In application of the first paragraph of Article L. 225-235 of the French Commercial Code regarding Statutory Auditors' observations, which are applicable as of 1 August 2005, we wish to bring to your attention the following matters:

- As specified in the note entitled "Investments" in the notes to the financial statements and in accordance with opinion n° 34 of the Conseil National de la Comptabilité, Somfy SA has selected the equity method of recognition of investments in fully controlled companies. Their historic acquisition cost amounted to €84.5 million;
- The equity value of these investments amounted to €244.1 million at 31 December 2004, thus having a favourable impact on the Somfy SA company's equity of €159.6 million at that date;
- As part of our review of the rules and accounting principles adopted by your company, we have verified the appropriateness of the accounting method described above and of the information disclosed in the note to the financial statements and we have assured ourselves of their correct application.

Our review of these matters was performed within the framework of our statutory audit of the annual financial statements, and accordingly contributed to the issuance of our unqualified audit opinion in the first part of this Report.

3. Specific verifications and information

We have also proceeded with specific verifications required by law, in accordance with professional standards applicable in France.

We have no observations to make with regard to the fairness of information provided in the Management Board report and its consistency with annual financial statements, as well as with documents presented to the shareholders regarding the financial position and annual financial statements.

In application of the Law, we have assured ourselves that information relating to shareholdings and the identity of entities or individuals holding shares and voting rights has been communicated to you in the Management Board report.

Paris, 9 May 2005

ERNST & YOUNG AUDIT	CDL
Daniel MARY-DAUPHIN	Dominique LEDOUBLE

Statutory Auditors,

Members of Compagnie Régionale of Versailles and Paris.

STATUTORY AUDITOR'S SPECIAL REPORT ON REGULATED AGREEMENTS

Dear shareholders,

As Statutory Auditors to your Company, we present to you our Report on the Regulated Agreements.

In application of in Article L. 225-88 of the French Commercial Code, we have been made aware of the agreements that had been previously authorised by your Supervisory Board.

It is not our responsibility to search for the potential existence of other agreements, but, on the basis of information given to us, to inform you of the key features of those that we have been made aware of, without having to pass judgement on their usefulness and validity. It is your responsibility, pursuant to Article 92 of the Decree of 23 March 1967, to assess whether it is in your interest that these agreements be entered into prior to your approval.

We have performed our work in accordance with French professional standards. These standards require the performance of due diligence procedures to verify the consistency of the information provided to us with their source documents from which they were derived.

Regulated agreements authorised during the financial year

Supervisory Board meeting of 15 March 2004

Director concerned: Mister Wilfrid LE NAOUR is a member of Somfy's Supervisory Board and the manager of Somfy Co Ltd (Korea).

Your Company has authorised the acquisition by Somfy SA of all shares of the I-Blind Co Ltd (Korea) company from Somfy Co Ltd (Korea) for a consideration of 1,500,000,000 Korean Wons (€1.05 million).

Supervisory Board meeting of 6 December 2004

Director concerned: Mister Wilfrid LE NAOUR is a member of Somfy's Supervisory Board and of Somfy Development.

Your Company has authorised the signature of an amendment to the tax grouping plan dated 28 June 2002, whose objective was to include Domaster, a subsidiary fully-owned by Somfy Development, itself a fully-owned subsidiary of Somfy SA, in the tax grouping scope headed by Somfy SA, as of 1 January 2005.

Paris, 9 May 2005

ERNST & YOUNG AUDIT	CDL
Daniel MARY-DAUPHIN	Dominique LEDOUBLE

Statutory Auditors,
Members of Compagnie Régionale of Versailles and Paris.

LEGAL **DOCUMENTS**

STATUTORY AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Dear Shareholders,

In execution of our mandate conferred to us by your General Meeting, we have audited the accompanying consolidated financial statements of the Somfy company, for the year ended 31 December 2005.

The consolidated financial statements have been prepared by the Board of Directors. It is our responsibility to express an opinion, on the basis of our audit.

I. Opinion on the consolidated financial statements

We have conducted our audit in accordance with French Generally Accepted Auditing Standards. These standards require that we plan to obtain reasonable assurance on whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audit provides a reasonableness basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in accordance with French Generally Accepted Accounting Standards, the financial position of the group as well as the results of all subsidiaries included in the consolidated results.

Without calling into question the opinion expressed above, we bring to your attention the change in accounting method described in the notes to the consolidated financial statements, resulting from the application of Conseil National de la Comptabilité recommendation n° 2003-R01 relating to the recognition and evaluation of pension benefits and similar benefits.

II. Audit observations

In application of Article L. 225-235 of the French Commercial Code regarding Statutory Auditors' observations, we wish to bring to your attention the following matters:

Within the framework of our evaluation of accounting principles applied by the Company, we studied the suitability of the change in accounting standard described in the note to the financial statements relating to the application of Conseil National de la Comptabilité recommendation n° 2003-R01 "Recognition and evaluation of pension benefits and similar benefits". In particular, we examined the actuarial assumptions used by the Company for actuarial debt evaluation and we have ensured the reasonableness of estimates taken into account.

Note 1.5 of the notes to the financial statements details the rules and accounting methods relating to the recognition and evaluation of acquisition goodwill. We have reviewed the evaluation methods used by your company and verified the resulting calculations. As part of our review of these estimates, we have assured ourselves of the reasonableness of selected assumptions and resulting estimates.

Our review of these matters was performed within the framework of our statutory audit of the consolidated financial statements, and accordingly contributed to the issuance of our unqualified audit opinion in the first part of this Report.

III. Specific verifications

We have also proceeded with a verification of information relating to the Group, as presented in the Directors' Report, in accordance with professional standards in France.

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

Paris and Lyon, 9 May 2005

ERNST & YOUNG AUDIT	CDL
Daniel MARY-DAUPHIN	Dominique LEDOUBLE

Statutory Auditors,

Members of Compagnie Régionale of Versailles and Paris.

STATUTORY AUDITORS' REPORT, PREPARED IN APPLICATION OF THE LAST PARAGRAPH OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE SOMFY COMPANY'S SUPERVISORY BOARD CHAIRMAN'S REPORT RELATING TO INTERNAL CONTROL PROCEDURES PERTAINING TO THE PREPARATION AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

Dear Shareholders,

As Statutory Auditors to your Company, and in application of the provisions of the last paragraph of Article L. 225-235 of the Commercial Code, we present to you our Report on your Company's Chairman Report in accordance with Article L. 225-68 of the French Commercial Code for the year ended 31 December 2004.

It is the responsibility of the Chairman to present in his Report, in particular, the conditions governing the preparation and organisation of the Supervisory Board's work, as well as the internal control procedures implemented within the Company.

It is our responsibility to communicate to you any observations we may have concerning information and declarations contained in the Chairman's Report regarding internal control procedures relating to the preparation and processing of financial and accounting information.

We have performed our work in accordance with French professional standards. These standards require the implementation of due diligence procedures in order to understand the accuracy of the information given in the Chairman's Report, concerning the internal control procedures relative to the preparation and processing of financial and account information. This diligence consists of:

- taking note of the objectives and general organisation of internal controls, as well as the internal control procedure relating to the preparation and processing of financial and accounting information, as presented in the Chairman's Report;
- taking note of the work underlying the information provided in this report.

On the basis of our work, we have no observations to make on the description of internal control procedures relating to the preparation and processing of financial and accounting information, as contained in the Chairman's Report, prepared in accordance with the provisions of the last paragraph of Article L. 225-68 of the French Commercial Code

Paris and Lyon, 9 May 2005

ERNST & YOUNG AUDIT	CDL
Daniel MARY-DAUPHIN	Dominique LEDOUBLE

Statutory Auditors,

Members of Compagnie Régionale of Versailles and Paris.

LEGAL **DOCUMENTS**

STATUTORY AUDITORS' SPECIAL REPORT ON THE GRANT OF FREE SHARES THAT EXIST TO EMPLOYEES AND EXECUTIVE MANAGEMENT

Combined General Meeting of 2 June 2005

Dear shareholders,

As Statutory Auditors to your company and in carrying out the assignment covered by Article L.225-197-1 of the Commercial Code, we have prepared the present report on the proposed grant of free shares that exist, up to 1.5% of the share capital for the benefit of executives and senior staff of SOMFY S.A. and subsidiaries that are related in accordance with Article L225-197-2 of the Commercial Code.

Your Management Board proposes that you authorise it to grant free shares that exist. It has to prepare a report on this transaction which it wishes to proceed with. It is our responsibility, where appropriate, to provide you with our comments on the information provided to you in respect of the transaction envisaged.

In the absence of a professional standard that applies to this transaction, which is part of legislation of 30 December 2004, we have carried out due diligence that we consider necessary to verify that the terms and conditions envisaged in the Management Board's report are within the provisions of the law.

We have no observations to make on the information given in the Management Board report on the transaction envisaged to grant free shares.

Paris and Lyon, 9 May 2005

ERNST & YOUNG AUDIT	CDL
Daniel MARY-DAUPHIN	Dominique LEDOUBLE

Statutory Auditors,

Members of Compagnie Régionale of Versailles and Paris.

SUPERVISORY BOARD REPORT

Combined general meeting of 2 June 2005

Ladies and Gentlemen,

The Management Board has convened this Combined General Meeting in order to submit to your approval the Group's financial statements for the year just ended, as well as a treasury share purchase plan.

In accordance with Article L 225-68 of the French Commercial Code, the Management Board has kept us periodically informed of transactions affecting the Group's share capital through the preparation of quarterly reports.

In addition, the Management Board submitted to us, for verification and control purposes the Group's financial statements at 31 December 2004, which you are requested to validate today, as well as consolidated financial statements.

The Management Board also provided us with the report that has just been presented to you.

We hereby submit to you our observations on these financial statements and on this report, in accordance with the above-mentioned L 225-68.

The content of this report reflects information that was regularly provided to us during the financial year ended. Therefore, we have been able to follow the progress of negotiations pertaining to the acquisition of the BFT group.

Consolidated sales amounted to €569.1 million and grew by 10.1%, a higher rate than previous years. This result was achieved through a broadened product portfolio and a differentiated commercial approach.

All geographical areas contributed to the growth, in spite of a decrease in the second year-half in countries such as France (up 6.7%) and Germany (up 4.3 %). Southern Europe maintained a 7% growth despite a bleak Italian market. For their part, America (up 17.3%) and Asia (up 16.4%) consolidated their growth.

With regards to results, operating profits increased by 17% to €114 million and represented 20% of sales. Net profit was impacted by a steep rise in goodwill amortization related to the BFT acquisition, as well as an increase in exceptional expenses. However, it still grew by 14.2% to €74.2 million.

The Management Board report highlights positive cash flow, controlled operational needs and moderate investments, which together allowed the Group to generate a cash surplus of €37.7 million at year-end. This position allows the Management Board to propose the distribution of a dividend per share of €4.60.

The Management Board report also provides all information required by applicable regulations.

In addition, you will be asked to authorise a new treasury share purchase programme, in compliance with new applicable regulations and secondly, to make use of free share allocation programmes recently introduced by law.

You will be submitted proposed resolutions to that effect, in accordance with the Combined General Meeting's agenda.

We do not have any specific observations to formulate as regards the various documents that have been brought to your attention. Therefore, we ask you to adopt all the proposals submitted to you.

The Supervisory Board.

LEGAL **DOCUMENTS**

RESOLUTIONS

FIRST RESOLUTION

The General Meeting, having considered the reports of the Management Board, the Supervisory Board, the Chairman of the Supervisory Board and the Statutory Auditors, and the financial statements for the year ended 31 December 2004, approves these reports and financial statements as they were submitted, as well as the transactions reflected in these accounts or summarised in these reports.

As a result, it grants a full discharge to the Directors, with no reserve, for the execution of their duties and to the Statutory Auditors for the execution of their control mission in the said year.

SECOND RESOLUTION

The General Meeting, having considered the reports of the Management Board, the Supervisory Board and the Statutory Auditors on the consolidated financial statements, approves the consolidated financial statements for the financial year ended 31 December 2004, as presented, which resulted in a Group net profit of €74,177,000, as well as the transactions reflected in these accounts or summarised in these reports.

THIRD RESOLUTION

In application of Article 39 of the revised Finance Law for 2004, dated 30 December 2004, the General Meeting authorises:

1) the transfer of €26,592,437.14 from the "special reserve for long-term capital gains" account to an ordinary reserve account;
2) the deduction of the exceptional tax on the above amount, in accordance with Article 39 of the revised Finance Law for 2004, in the amount of €652,310.93, which was debited from the retained earnings account at 31 December 2004.

FOURTH RESOLUTION

The General Meeting decides to allocate the Company net profit of €66,864,806.07 for the year ended 31 December 2004 as follows:

– clearance of the loss reserve brought forward account	€71,114.93
– allocation to shareholders of a net dividend per share of €4.60, or €4.60 x 7,836,800 shares	€36,049,280.00
– charge to the special reserve	€30,744,411.14
	€66,864,806.07

In accordance with the revised wording of Article 158-3-2 of the French General Tax Code, the net dividend amounts to €4.60 per share of a nominal value of €1 and gives the right to an abatement of 50% on the total amount, to individual shareholders liable to pay income tax in France.

Treasury shares held by the Company at the date of payment are not entitled to dividends. The amount corresponding to dividends which are not payable on these shares will be allocated to retained earnings.

Dividends will be payable on 9 June 2005 at payment institution offices.

In accordance with the Law, the following dividends were paid in respect of the previous three years:

Financial year	**30.06.2002**	**31.12.2002 (6 MONTHS FINANCIAL YEAR)**	**31.12.2003**
Number of shares giving right to dividends*	7,719,131	7,696,641	7,698,420
Nominal value	1	1	1
Dividends paid	29,332,697.80	14,623,617.90	32,333,364.00
Dividend per share:			
- Net amount	3.80	1.90	4.20
- 50% abatement	1.90	0.95	2.10
- Gross amount	5.70	2.85	6.30

*Excluding treasury shares held by SOMFY SA not entitled to dividends.

FIFTH RESOLUTION

The General Meeting, having considered the special report of the Statutory Auditors on the agreements covered by Article L 225-86 and subsequent of the French Commercial Code, approves the agreements that are covered therein, as well as their conditions of implementation.

SIXTH RESOLUTION

The General Meeting decides to set the global amount of fees to be shared among Supervisory Board members at €20,000 for the current financial year, in accordance with Article 20 of the Bylaws.

SEVENTH RESOLUTION

The General Meeting, having considered the report of the Management Board and the information memorandum approved by the Autorité des Marchés Financiers, decides that the Management Board may purchase shares of the Company, pursuant to the conditions specified by Articles L 225-209 and subsequent of the French Commercial Code and European Regulation no 2273/2003 of 22 December 2003, in order to:

- improve share market activity and carry out transactions against market trend within the framework of a liquidity contract complying with the AFEI Ethics charter and entered into with an investment service provider;
- cover share subscription option plans allocated to employees and directors of the Group or shares allocated to employees or directors of the Group;
- hold acquired shares and subsequently transfer them as swaps, payments or in other transactions, or within the framework of growth by acquisitions operations.

The General Meeting set the maximum purchase price at €210 for shares of a nominal value of €1, excluding banking fees or commissions, and the maximum number of shares that can be purchased at 10 % of the share capital as at today's date or 783,680 shares, for a total maximum amount of €164,572,800.

Purchase, disposal or transfer of these shares may occur at any time, including during a period of public offering, and by any means on the over-the-counter market, including through the acquisition or disposal of blocks of shares, without limitation to the share of the treasury share purchase programme that may be carried out by this method.

The Management Board will inform shareholders every year at the Annual General Meeting of the precise allocation of bought back shares to the various objectives, as well as potential subsequent reallocations. With regard to shares acquired before 13 October 2004, the General Meeting takes note of the allocation carried out before that date by the Management Board, as disclosed in its report.

This authorisation was granted for eighteen months from today's date. It cancels and replaces the authorisation granted to the Management Board by the Combined General Meeting of 3 June 2004 regarding the previous share buyback programme.

The General Meeting grants all powers to the Management Board, along with the ability to delegate these powers, to decide and implement this authorisation and, if necessary, to specify the terms more precisely and define the procedures of application to implement the share buyback programme, in particular to submit all stock market orders, sign all agreements and present all information to be disclosed to the Autorité des Marchés Financiers and all other organisations, and generally to take all necessary steps.

LEGAL **DOCUMENTS**

RESOLUTIONS

EIGHTH RESOLUTION

The General Meeting, having established quorum conditions and the required majorities for an Extraordinary General Meeting, after having considered the Management Board and Statutory Auditors' reports, authorises the Management Board to proceed once or several times with the allocation of treasury shares to employees and directors of the company, in accordance with Articles L. 225-197-1 and subsequent of the French Commercial Code.

The total maximum number of shares that can be allocated in accordance with this authorisation shall not exceed 1.5% of the share capital.

According to this authorisation, the Management Board shall be entitled to allocate these shares without consideration:

- either to directors;
- or to employees of companies or groups with a vested economic interest, of which at least 10% of the share capital or voting rights are held directly or indirectly by the Company;
- or employees of companies or groups with a vested economic interest, holding at least 10% of the share capital or voting rights of the Company;
- or to employees of companies or groups with a vested economic interest, of which at least 50% of its share capital or voting rights is held directly or indirectly by a company, which itself owns directly or indirectly 50% of the share capital of the Company.

Share allocation to beneficiaries will be final at the end of acquisition period of no less than two years. In addition, beneficiaries will be prohibited from disposing of shares allocated in respect of this authorisation for a minimum duration of two years from the date of definite allocation of shares. The Management Board may increase the duration of these two periods.

The Management Board will select the identity of beneficiaries of share allocations, establish conditions and, if applicable, the criteria of share allocation.

The General Meeting will determine the duration of validity of this authorisation at thirty-eight months, from this date

All powers are granted to the Management Board within the facility of such delegation, to implement this authorisation, to adjust, if necessary, the number of shares allocated to reflect potential transactions on the share capital of the Company, in order to maintain beneficiary entitlements and, in general, to do everything that is required.

NINTH RESOLUTION

The Combined General Meeting grants all powers to the bearer of copies or extracts of the present minutes to complete all formalities required by law.