

| INVESTING

| SUPPORTING

| ADDING VALUE

Motion

Build



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editorial

By **Wilfrid Le Naour**
CEO Somfy Participations



“AFTER THREE YEARS OF EXISTENCE, SOMFY PARTICIPATIONS HAS CONFIRMED THE RELEVANCE AND INTEREST OF ITS CHOSEN METHOD FOR SUPPORTING COMPANIES.”

Our purpose is to add value to companies in which we invest, and in this respect 2010 was a very satisfactory year. Our revalued net assets increased substantially, mainly due to the performance of Zurflüh-Feller, which had a very good year, and agta record, a company with which we achieved excellent capital gains through the planned cession of our shareholding, effective since February 2011. Somfy Participations differs from other private equity players in the way it works with companies over the long term, and here again, 2010 provided much cause for satisfaction. All companies continued the recovery process begun in 2009 and returned to profitable levels, except CIAT which, as stated, continued to suffer from the difficult environment in its commercial building and new-build markets. This overall performance rewards all the efforts we have made with the companies' directors to help them stay on track with their strategic plans and goals.

In 2011, as in 2010, these companies will continue to capitalize on their return to profitability and on the solidity of their fundamentals, in order to invest in the future. In easier economic times, it is often more difficult to remain focused on strategy, and our role as a shareholder is to encourage companies to maintain the pace of their development projects. Somfy Participations will provide these companies with the support required for their build-up operations, to ensure they generate growth for the future.

In its three years of existence, Somfy Participations has proved that its atypical approach of supporting companies who place their trust in us has borne fruit. This is why, to ensure a long future for the private equity activities of Somfy Participations, in 2011 we will continue to expand our team and structure our approach.

SOMFY PARTICIPATIONS AT DECEMBER 31ST, 2010

105.2

SALES IN MILLION EUROS

+11.4%

ON A LIKE-FOR-LIKE BASIS

10.7

CURRENT OPERATING RESULT
IN MILLION EUROS

+38.8%

COMPARED TO
THE PREVIOUS YEAR

437

REVALUED NET ASSETS
IN MILLION EUROS

+18.6%

ON A LIKE-FOR-LIKE BASIS

DURING THE YEAR
SOMFY PARTICIPATIONS
INVESTED €3 MILLION
TO ACQUIRE A SHARE
IN PARQUETS MARTY.

somfy
investing

PROFILE

Somfy Participations, Somfy Group's Private Equity branch, was created in 2008. Its purpose is to help to consolidate the Group's profitable growth strategy while investing selectively, on a long-term basis, in manufacturing companies that operate outside the scope of Somfy's core business.

Beyond the purely financial aspect, Somfy Participations actively supports the companies in which it is a shareholder, and it is committed to their development and performance. It fulfills its role as active partner in a tangible manner by working alongside their management teams and backing their strategic projects, and bringing in Somfy Group's industrial and international experience if necessary.

In order to optimize its policy of supporting companies and leveraging their value, Somfy Participations invests in industrial companies that are in a transitional phase, with a business model it understands, and which operate in a sector with strong growth potential.

AT DECEMBER 31ST, 2010, SOMFY PARTICIPATIONS' ASSETS HAD INCREASED IN VALUE BY 18.6%, ON A LIKE-FOR-LIKE BASIS

REVALUED NET ASSETS

€ million	Valuation at 31/12/2010	Valuation at 31/12/2009
Equity portfolio	375.9	309.4
Mezzanine portfolio	61.1	56.4
Total portfolio	437.0	365.8

participations

supporting, adding value

AT THE END OF 2010, SOMFY PARTICIPATIONS MANAGED ASSETS IN 9 COMPANIES

PORTFOLIO OF SOMFY PARTICIPATIONS AT DECEMBER 31ST, 2010

Companies	Activities	Holding	First shares
agta record	Automatic doors for commercial and industrial buildings.	32.95%	2000
Babeau Seguin	Builder of individual homes.	9.14%	2008
CIAT	Equipment for air conditioning, air purification, heat exchanges and renewable energy heating for the residential, commercial and industrial sectors.	40%	2008
Cotherm	Thermal regulation components (thermostats) for water heaters and electric heating systems, and thermal programming and regulation solutions for a variety of applications.	65%	2006
FAAC	Gate and garage door systems and automatic control systems for professional installers.	34%	1990
Gaviota Simbac	Components and motors for roller shutters and awnings for assemblers and manufacturers.	46.5%	2001
Parquets Marty	Wooden flooring specialist.	34%	2010
Sirem	Geared motors, pumps and global motorization systems for industry and water-based applications.	87.53%	2008
Zurflüh-Feller	Components and accessories for roller shutter manufacturers and distributors.	100%	2008

CIAT

40%

HOLDING

271.7

2010 SALES IN MILLION EUROS

-6.5

2010 COR* IN MILLION EUROS

2,355

2010 HEADCOUNT

CIAT (Culoz, Ain, France) is one of Europe's leading manufacturers of products for air conditioning, heat exchange, air purification and renewable energy heating systems.

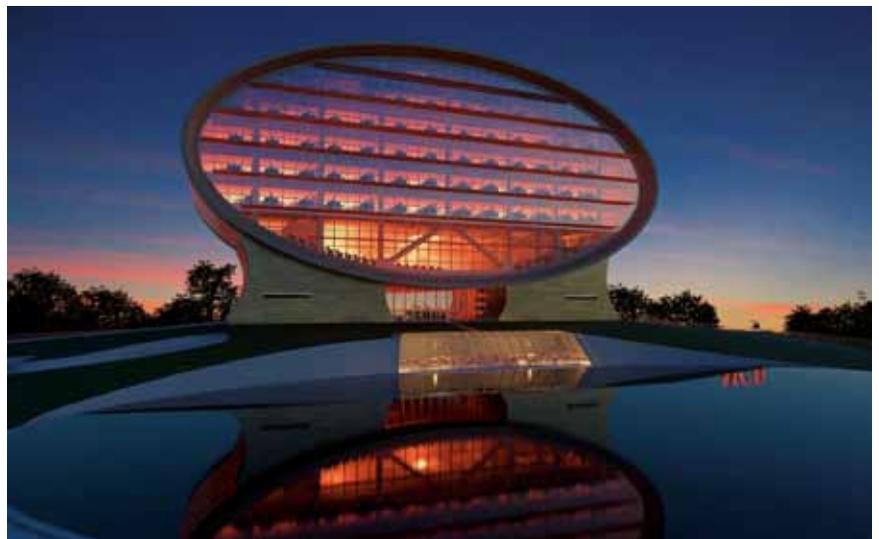
A latecomer to the recession and doubly exposed to the new-build and heat pump markets, CIAT had a difficult year in 2010, culminating in an 11% decline in sales. While its traditional business of medium- and high-powered equipment for the commercial and industrial building markets remained at its 2009 level (-2% in sales), its heat pump business (-60% in sales) continued to suffer from the collapse of this market, where volumes were a third of their 2008 levels.

In 2010, CIAT also faced a negative price effect of the cost of raw materials, which had a major impact on its results. Measures taken to optimize the use of raw materials in its products and to reduce its overheads should, however, have a positive effect on its gross margin as of 2011.

With strong, inherently profitable expertise, and leadership positions in several European countries, in 2010 CIAT developed a strategic plan for 2011-2015, as well as a product business plan that will lead the company to make a number of changes in terms of development. There are four main orientations to the strategic plan:

- the deployment of a strategy for the renovation market, while continuing to consolidate CIAT's leadership on the new-build market in Europe;
- the refocusing of its commercial activities in Europe in order to capitalize on its knowledge of these territories and their environmental maturity;
- the development of an offer of systems combining energy production, ventilation and air treatment equipment for its main markets, which will in time be accompanied by a commitment on thermal performance and air quality;
- lastly, the rationalization of its offer, with a focus on increasing volume and profitability.

For 2011, CIAT is very cautious in its business outlook, although the increase in orders seems to confirm a moderate recovery on its two traditional markets (industry and commercial building). In this context, the Group will concentrate on renewing its range of offers for commercialization in 2012 and will continue to implement its plan to reduce its overheads.



COTHERM

65%

HOLDING

27.1

2010 SALES IN MILLION EUROS

3.0

2010 COR* IN MILLION EUROS

539

2010 HEADCOUNT



Cotherm is Europe's leading manufacturer of thermostats for electric water heaters, and is also active on the electric heater market and in a number of niche sectors (coffee machines, saunas, boilers, etc).

In 2010, Cotherm's businesses had differing experiences, resulting in an overall increase in consolidated sales of 8.6%, and an 11.6% rise in COR. While Cotherm's main market (electric water heaters) posted strong growth (+17% in sales), sales to manufacturers of electric heating equipment (-34% in sales) were hit by the real estate crisis in Spain, the main market for this application.

The company pursued its development plan to launch its range of new-generation thermostats, iQuaflex, aimed at manufacturers of electric water heaters. These "intelligent" thermostats meet the requirements of the energy performance label due to be adopted by the European Commission in 2011.

With a strong international presence, in 2010 Cotherm created a new subsidiary in Tunisia (Cotherm SCI) which will, in time, enable it to take delivery on this site of merchandise from suppliers, and also to supply Cotherm's subsidiaries and some of its customers.

For 2011, Cotherm has forecast a slight increase in business activity. Its outlook is encouraging in North and South America, as well as in Eastern Europe, but sales in the Near East and Spain remain uncertain. The company is also keeping a close eye on prices of raw materials.

GAVIOTA SIMBAC

46.5%

HOLDING

57.1

2010 SALES IN MILLION EUROS

4.2

2010 COR* IN MILLION EUROS

302

2010 HEADCOUNT



Located in Sax, Spain, Gaviota Simbac specializes in the manufacturing of components and motors for roller shutters and, more recently, awnings.

In 2010, the Gaviota Simbac business returned to positive growth, with a 3.4% increase in sales. Its traditional markets are still suffering from the effects of the recession, and growth was generated by new international markets such as America and North Africa. Its results were stable.

A key element of Gaviota Simbac's strategic plan was to consolidate its international business in particular by acquiring 70% of the capital of the Brazilian company Toldos Dias, the leader on the Brazilian

market specialized in solar protection. At the same time, Gaviota improved its production processes in Spain and at its new production units in Lebanon and Morocco.

For 2011, Gaviota Simbac expects to achieve a slight growth in sales, with profitability remaining stable, despite the increase in raw materials prices and the paralysis of the Spanish economy. Its primary objectives are to consolidate its presence on the Spanish and Italian markets as well as its leadership in Central and South America.

* COR: Current Operating Result

PARQUETS MARTY

34%

HOLDING

22.9

2010 SALES IN MILLION EUROS

238

2010 HEADCOUNT

Parquets Marty (Cuzorn, Lot-et-Garonne, France) is the French wooden flooring market leader in terms of both production and sales.

With over 300 catalogue references and more than 1,000 retail outlets, the company has a network of installers who cover the whole of France. Parquets Marty manages the entire manufacturing process, from sawing through to packaging, and has also developed an integrated design centre whose role is to translate decorative trends, new lifestyles, and consumer requirements.

Since 2011, Parquets Marty has been working in association with its suppliers to introduce the PEFC* label, which identifies products made of wood from sustainable sources. The company uses local timber, and has an exemplary energy performance. It holds the "Parquets de France" label, as approved by the French Union of Wooden Flooring Manufacturers and Artisans (UFFEP).

When the company encountered some financial difficulties while part of a European group, the management took it over via the DMH holding company, and put forward a plan for continued operation. In order to reinforce its development and invest in new markets, including terraces, DMH went in search of new investors. In September 2010 Somfy Participations acquired a 34% stake in the company. This investment has improved the company's balance sheet and prospects, while offering support to the majority management.

The company has already been able to redeploy its commercial and marketing activities by introducing innovative services such as fourday deliveries, a network of installers, and new products in its range of flooring.

In 2011, in a difficult, highly competitive market, Parquets Marty plans to focus on its marketing and sales strategy through a strong presence in the field. It will also work hard to improve profitability, which is essential to its long-term success, through a new industrial plan and cost-cutting efforts.



* PEFC: Programme for Endorsement of Forest Certification

SIREM

87.53%

HOLDING

21.8

2010 SALES IN MILLION EUROS

1.0

2010 COR* IN MILLION EUROS

158

2010 HEADCOUNT

Sirem, which makes gear motors, pumps and global motorization systems, services many markets in two major sectors: water and manufacturing. Sirem is based at Saint-Maurice de Beynost, Ain, France.

In 2010, Sirem's various businesses saw significant progress due to growth on the company's markets and improved competitive positions. After a very difficult year in 2009, its traditional milk tank business benefited from much higher worldwide demand, as did its business in motorized rollers for advertising billboards and check-out conveyors. In the water sector, the spa bath business continued to suffer from sluggish markets in southern Europe, without impacting Sirem's leadership position in Europe as a whole. Sirem took advantage of opportunities in Latin America,

where sales are starting to take off. For its swimming pool applications (pumps and motors for pool covers), which continue to generate international growth, the company benefited both from a buoyant European market and from gaining market shares.

Following a promising first year in its new spa market, Sirem continued to deploy its strategy, progressing in line with its market plan. This success is built on the development of its Aqua Dolce brand in Europe and on the SODIM business, acquired at the end of 2009, which designs and manufactures spa shells. The synergies generated allowed it to launch an innovative finished product that is completely geared to the demands of European customers, at the end of 2010.



* COR: Current Operating Result

ZURFLÜH-FELLER

100%

HOLDING

58.3

2010 SALES IN MILLION EUROS

9.1

2010 COR* IN MILLION EUROS

378

2010 HEADCOUNT



Zurflüh-Feller (Autechaux-Roide, Doubs, France) makes components and accessories for roller shutters (fasteners, belt drivers, winches, cranks, etc.). The company is strongly positioned as French market leader.

In 2010, Zurflüh-Feller saw its sales increase by 9.7%, with an acceleration in growth during the second half (+11.6%). With a market still in crisis, driven by the renovation sector in France, this performance was mainly achieved through international growth (+15% for export, of which +11% in Europe), and the launch of new products (range of accessories for roller garage doors, locks, etc.).

Zurflüh-Feller pursued its strategy, which is based on targeted international development and the launch of innovative new products in the closures sector. Its increased market share enabled the company to maintain and even increase volumes of

sales of accessories for roller shutter manual controls, at a time when motorized systems for roller shutters were on the up.

By pursuing its cost-cutting policy in 2010, Zurflüh-Feller was able to improve its financial performance while funding the innovations and investments required for its strategy.

In 2011, Zurflüh-Feller will continue to deploy its strategy in a market that should see gradual growth, particularly in the new-build sector. The company will pay close attention to the rise in raw materials prices in order to maintain its performance levels.

* COR: Current Operating Result, including depreciation of intangible assets allocated during acquisitions.

Somfy is split into two separate branches. The first, Somfy Activities, is dedicated to the Group's core business, the automatic control of openings and closures in homes and buildings. The second, Somfy Participations, is dedicated to investments in industrial companies which are not within Somfy's core business.

The following figures represent the entire Somfy Group, including both Somfy Activities and Somfy Participations.

2010 RESULTS

SALES

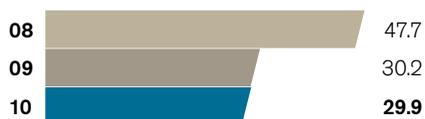
(€ million)



Group published sales rose by 12.1% at real value and 8.9% on a like-for-like basis compared to 2009 with a contribution of €747.4 million from Somfy Activities and €105.2 million for Somfy Participations. For Somfy Activities, the like-for-like progression in 2010 is 8.5%. All geographical areas finished the year on the rise. For Somfy Participations, the 2010 like-for-like progression is 11.4%. The three fully consolidated subsidiaries recovered and were on the rise throughout the year.

INVESTMENT IN TANGIBLE AND INTANGIBLE ASSETS

(€ million)



At €29.9 million, the level of tangible and intangible assets remained stable compared to 2009.

CURRENT OPERATING RESULT

(€ million)



Current operating result increased by 14.3% compared to 2009, with €128.1 million for Somfy Activities, up by 12.6%. This evolution includes not only a return to growth and a consistent gross margin but also increased budgets for R&D and marketing. For Somfy Participations, the current operating result was €10.7 million, up 38.8% compared to 2009, with recovery in the activity of the fully consolidated subsidiaries.

CASHFLOW

(€ million)



The Group improved its cash flow by €6.1 million which includes the increase in net income and the change in expenses calculated from one period to the other.

NET RESULT

(€ million)



Published net result rose by 9.5% to €96.2 million. It includes goodwill depreciation (-€6.0 million) and incorporates a negative contribution from equity accounted companies (-€11.6 million) due to the decline of their results and the depreciation of CIAT's equity.

NET FINANCIAL DEBT

(€ million)



Net financial debt came to €35.1 million after the acquisition of 70% of Ningbo Dooya. This amount includes debt, from now on, linked to sales options granted to shareholders who didn't give control (€39.7 million). On a like-for-like presentation, net financial surplus rose from €5 million in 2010 compared to €13 million in 2009.

2010 INDICATORS

SALES BY REGION

€ thousand	2010	2009	N/N-1 change	N/N-1 change on a like-for-like basis
France	225,546	203,504	10.8%	10.5%
Germany	113,562	101,257	12.2%	12.1%
Northern Europe	88,775	83,383	6.5%	4.1%
Central and Eastern Europe	60,407	52,503	15.1%	9.2%
Southern Europe, Middle East & Africa	143,214	128,373	11.6%	5.3%
Asia Pacific	52,102	40,279	29.4%	14.4%
Americas	63,807	57,242	11.5%	4.3%
Somfy Activities	747,413	666,541	12.1%	8.5%
Somfy Participations	105,193	94,236	11.6%	11.4%
Somfy Consolidated	852,606	760,777	12.1%	8.9%

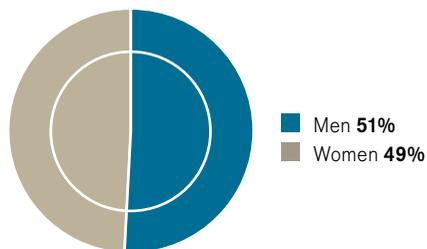
TOTAL HEADCOUNT



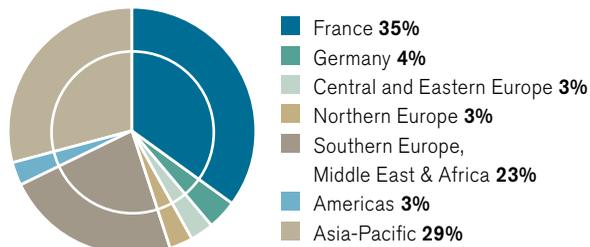
HEADCOUNT BY AGE GROUP



HEADCOUNT BY GENDER



HEADCOUNT BY REGION



Design and production: W | W&CIE
Photos: Somfy photo library, Ludovic/REA

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with paper that is 60% recycled paste and 40% fibres
from a forest managed in a sustainable and fair manner.





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