2011 FINANCIAL REPORT

somfy

Financial Report

Overview
of the consolidated financial statements

€ millions	31/12/11	31/12/10*
Sales	952.4	852.6
Current operating result**	124.7	138.6
Operating result	116.3	132.1
Net profit	161.4	96.2
Net profit - Group share	160.6	95.4
Cash flow	149.0	149.4
Investments in property, plant and equipment and intangible assets	44.9	29.9
Amortisation and depreciation charges**	- 38.0	- 35.8
Shareholders' equity	841.2	807.8
Net financial debt***	15.7	36.0
Non-current assets	884.0	786.2
Average workforce	7,824	5,472

** Pursuant to IFRS 3, the acquisition price of Dooya had provisionally been allocated in the 2010 financial statements. Additional allocation work has been carried out within the one-year allocation timeframe, which led to restating the balance sheet at 31 December 2010.*
*** Including amortisation charges relating to intangible assets allocated following acquisitions for an amount of -€4.4 million in 2011 and -€2.3 million in 2010.*
**** Increased by liabilities related to put options granted to holders of non-controlling interests and earn-out of €40.3 million in 2011 and €40.5 million in 2010 and reduced by unlisted bonds receivables of €65.3 million in 2011 and €58.1 million in 2010.*

Management Board report to the Combined General Meeting of 15 May 2012

Ladies and Gentlemen,

In accordance with legal and regulatory provisions in force, the Management Board has convened you here in order to inform you on the management of your Company and its subsidiaries and to submit for your approval the financial statements for the year ending 31 December 2011.

Changes in Group structure

Somfy Activities acquired:
- 40% of **STOR'M**, a company specialised in gate automation, for €0.3 million. This company was equity-accounted from the date of acquisition (May 2011);
- the 40% of the share capital in **BFT GmbH** which it did not previously own through its subsidiary BFT SpA, for €0.5 million. This company was already fully consolidated, therefore no change of control took place;
- **BFT Gulf-Technoworld**, a distributor of BFT products, through its subsidiary BFT SpA. Its capital was acquired in full at a price of €2.6 million. This acquisition resulted in the recognition of an earn-out of €0.7 million and generated goodwill of €3.0 million. This company was consolidated from the date of acquisition (April 2011) and contributed €3.1 million to Group sales.

Somfy Activities exercised its call option for an additional 20% of the capital of **BFT Piemonte** for €0.2 million, thus increasing its equity holding to 90%. There remains a mutual put/call option for the acquisition of the residual 10%.

In mid-May 2011, **Somfy Activities** finalised an agreement with the shareholders of Brazilian company **Garen Automaçao**, the leader in South America for door and gate controls. At this initial stage, Somfy's commitment is limited to the subscription in convertible and conventional bonds issued by Garen, for €11.1 million and €2.5 million, respectively. The conversion of the convertible bonds, expected to occur in 2016, will potentially allow control of the company.

Somfy Activities sold its equity investment in Firstinnov during the second half of 2011, with no significant impact on the 2011 financial year.

Somfy Participations made an equity investment of 47.23% in **Pellenc** for €64.9 million. This company has been equity-accounted from 31 December 2011. Therefore, this acquisition had no impact on the income statement for the 2011 financial year. Provisional goodwill of €21.8 million will be allocated during 2012. For information, this company as a whole generated sales of about €114.2 million in 2011.

Early in February 2011, **Somfy Participations** sold its 32.95% equity investment in **agta record** to Assa Abloy. The value of the transaction was €109.8 million, of which €101.1 million has already been collected, with the balance of €8.7 million to be paid early in 2013 at the latest. The €63.1 million capital gain, net of related costs, was recognised as financial income during the period.

In mid-December 2011, **Somfy Participations** sold its equity investment in Babeau Seguin for €6.5 million. A capital gain of €4.1 million was recognised as financial income.

Highlights

Somfy Activities wrote down the goodwill of O&O, Pujol and Yorkshire Technology:
- the outlook for **O&O**, a subsidiary of BFT SpA that produces lifting gates, rising bollards and automated sliding doors, has deteriorated compared to the acquisition business plan due to the macro-economic situation prevailing in Southern Europe, where the company conducts most of its business. Goodwill was impaired for 60% of its value, i.e. €4.1 million;
- the outlook for short and medium-term profit growth led to a review of the business plan of **Pujol** (a Spanish company), which has been seriously affected by the macro-economic environment prevailing in Southern Europe. Since this acquisition was made before the application of revised IFRS 3, a goodwill impairment of €2.2 million was recognised, offset by the waiver of the earn-out clause;
- the outlook for **Yorkshire Technology** has deteriorated. Goodwill was written down in full for €0.3 million.

Somfy Activities wrote down €0.5 million from the equity value of its 40% investment in **Oxygen (Astélia)**, a company specialised in alarm systems for the house-bound elderly. This impairment was recognised after indications of a loss in value were noted.

Somfy Participations sold the assets of Parquets Marty: after this company was put under judicial reorganisation, the Commercial Court of Agen decided on its disposal on 12 July 2011. This Somfy Participations investment was equity-accounted. Somfy Group fully wrote down the value of the assets held in the Parquets Marty Group, which had a negative impact of €1.2 million in the share of profit from equity-accounted companies at 31 December 2011.

Somfy Participations wrote down €2.0 million from the goodwill of **Sirem**. This writedown follows the persisting difficulties encountered by Sodim, whose results fall short of its business plan.

The financial statements at 31 December 2010 were restated following the final allocation of the acquisition price of **Dooya**.

Change of accounting methods

As specified in the notes to the parent company financial statements, Somfy SA decided to apply the historic cost method from 1 January 2011 to assess equity investments in companies over which it exercises exclusive control, resulting in a €239.3 million reduction in opening equity.

Presentation of financial statements

Parent company financial results

For the year to 31 December 2011, Somfy SA sales were €2.1 million. Net financial income amounted to €133.2 million, including €93.4 million in dividends paid by its subsidiaries in respect of their net profit for the year to 31 December 2010 and capital gains of €65.6 million on the disposal of equity investments.

Net profit amounted to €129.0 million including income of €3.7 million from tax consolidation.

Consolidated financial statements

Sales

Group sales increased to €952.4 million from €852.6 million in 2011, an increase of 11.7% in real terms and 4.9% on a like-for-like basis. Sales growth weakened over the last two quarters due to less favourable comparatives in the second half of the year and a deteriorated environment, which was particularly noticeable from the summer onwards.

The Somfy Activities branch reported sales of €842.8 million (up 12.8% in real terms and up 5.0% on a like-for-like basis).

Several areas reported substantial growth for the full financial year, although weaker growth was noted in the second half of the year. This was the case for Central and Eastern Europe (up 11.9%), Germany (up 10.8%), France (up 6.3%) and America (up 6.2%). Other regions ended the year on more mixed notes. Asia-Pacific (up 3.3%) faced natural disasters during the year and Northern and Southern Europe (down 0.0% and 1.3%, respectively) suffered from the economic crisis.

The Somfy Participations branch reported sales of €112.5 million (up 4.9% in real terms and up 5.0% on a like-for-like basis).

All three fully-consolidated subsidiaries recorded growth on a like-for-like basis during the financial year. Cotherm (up 4.3%) finished the year at a sustained pace, thus largely offsetting the decline noted at the start of the year. The other two subsidiaries, Sirem and Zurflüh-Feller, fell back at the end of the year but recorded substantial growth over the full year (up 8.7% and 4.0%, respectively).

Sales by customer location

€ thousands	31/12/11	31/12/10	Variance N/N-1	Variance N/N-1 like-for-like
France	240,617	225,584	6.7%	6.3%
Germany	131,643	113,562	15.9%	10.8%
Northern Europe	90,839	88,775	2.3%	0.0%
Eastern and Central Europe	73,886	60,407	22.3%	11.9%
Southern Europe, Middle East and Africa	158,416	143,214	10.6%	– 1.3%
Asia Pacific	76,727	52,102	47.3%	3.3%
Americas	70,647	63,807	10.7%	6.2%
SOMFY ACTIVITIES	**842,775**	**747,451**	**12.8%**	**5.0%**
Somfy Participations	112,499	107,221	4.9%	5.0%
Intragroup sales	– 2,844	– 2,066	37.7%	37.7%
SOMFY GROUP	**952,430**	**852,606**	**11.7%**	**4.9%**

Results

The Group's current operating result declined from €138.6 million to €124.7 million (down 10.1%), being 13.1% of sales.

Somfy Activities' current operating result was €118.2 million (down 7.7%). This decline was partly due to production cost overruns resulting from the increase in raw material prices and disruptions at the Tunisian site at the start of the year. This was also due to the significant steps taken during the year to implement the growth strategy (strengthening of the sales teams, especially in emerging markets, stepped-up R&D effort, especially for home automation, etc.).

The current operating result of Somfy Participations was €6.6 million (down 38.2%). This was made up of the €10.2 million contribution from fully-consolidated subsidiaries (down 23.3%) less €3.6 million in structure costs (acquisition costs, etc.). The decline was primarily due to the increase in raw material prices and, to a lesser extent, to an increase in outsourcing expenses (temporary use of external providers).

Consolidated net profit increased from €96.2 million to €161.4 million (up 67.9%). This includes non-current expenses, particularly the impairment of O&O and Sirem's goodwill, a significant increase in net financial income due to the capital gain on the disposal of the equity investment in agta record and a substantially higher contribution from equity-accounted companies, due to the recovery of CIAT.

Excluding the exceptional capital gain derived from the sale of the agta record shares, net profit would have been €99.8 million (up 3.8%).

Financial position

The Group had net financial debt of €15.7 million at the end of December, representing 1.9% of equity. This was increased by earn-out on acquisitions and liabilities attached to options granted to minority shareholders in fully-consolidated companies. This was reduced by unlisted bonds receivable issued by a number of related investments or entities.

Net financial debt before bonds receivable was €81.0 million, being 9.6% of equity.

Several significant financial transactions were carried out during the financial year; Somfy Activities now has a closer relationship with Garen Automaçao (subscription to convertible bonds with the option of assuming control over the long term); Somfy Participations sold its investments in agta record and Babeau Seguin, and made an investment in the share capital of Pellenc (acquisition of a minority interest with the possibility of acquiring the whole capital over the medium-term).

Somfy Participations' net asset value is estimated at €357.5 million (down 9.3% on a like-for-like basis). The decline compared to 2010 was due to the fall in valuation ratios as a result of the financial crisis (drop in share prices and multiples of securities used for comparison purposes).

Segment reporting at 31 December 2011

€ thousands	Somfy Activities	Somfy Participations	Other	Inter-segment	Consolidated
Segment sales	842,776	112,499	–	– 2,844	952,430
Segment profit/(loss) (current operating result)	118,176	6,605	– 120	–	124,661
Share of net profit of equity-accounted companies	– 925	469	–	–	– 456
Cash flow	128,287	19,247	1,469	–	149,003
Intangible asset and PPE investments	38,699	6,235	–	–	44,934
Goodwill	193,273	31,614	–	–	224,887
Net intangible assets and PPE	228,768	58,656	–	–	287,424
Non-consolidated investments	41	132,159	–	–	132,200
Equity-accounted companies	1,503	113,505	–	–	115,008

Valuation of Somfy Participations portfolio

Methodology

The net asset value at December 2011 is the sum of the financial assets owned by Somfy Participations.

Financial assets defined as bonds are valued at their nominal value including accrued interest.

Regarding fully consolidated or equity-accounted investments and assets available for sale, the assessment methods chosen are the following:

Unlisted companies are valued according to standard methods, namely:

- **Market Peer Multiples method**
  A sample of comparable companies, comprising listed companies in the same industry for which analysts regularly publish their research and estimates, is identified for each company valuation. It is stable over time and is adjusted only if a comparable sample is no longer relevant. The multiples of the companies in the sample are calculated by the average market capitalisation over the last 20 trading days prior to the assessment and net debt, which is estimated by analysts at the assessment date. The analysts' estimates are used to calculate the provisional multiples, which take into account the growth prospects of companies and the sector concerned. A discount may be applied on certain multiples to reflect the smaller size of companies in the sample and the company being valued. The average multiples of recurring EBITDA (Earnings before interest, taxes, depreciation and amortisation) and current operating result, excluding amortisation of intangible assets allocated following the acquisition of companies in the sample, is applied to the recurring EBITDA and current operating result for the current year and subsequent two years of the company being valued. The enterprise value derived is calculated as the average of the values obtained by applying these multiples.
- **Discounted cash flow method (DCF)**
  This method involves determining the present value of cash flows that a company will generate in the future. The cash flow projections, prepared in association with the management of the company concerned, include a critical analysis of the business plan of these companies. The discount rate used is the weighted average cost of capital and represents the level of expected return on capital employed (equity and debt required to finance the activity). It is calculated using financial data collected for the same sample as that used for multiples. The cash flow projections correspond to those used for impairment testing.
- **Choice of method**
  Where the company being valued is mature in its market, its enterprise value is calculated by averaging the market peer multiples valuation and the discounted cash flow valuation.

To value companies where the bulk of future growth depends on new markets (resulting from a change of strategy) or which are in decline or recovering, the enterprise value is calculated using the DCF method.

This multiple criteria analysis notably takes into account Somfy's intrinsic knowledge of its equity and its approach to medium-term investment.

The so-calculated enterprise value is increased or decreased by non-operating items, assessed at their net book value or market value if it can be reliably determined and the net financial debt, to obtain the recalculated value of 100% of the subsidiary. Financial debt is valued at its nominal value plus accrued interest. The equity stake value in the net assets is obtained by applying the percentage of ownership by Somfy at the date of valuation. A minority discount is applied for certain subsidiaries with minority shareholding and/or reduced control.

Listed companies are valued, using the average closing price of the last 20 trading days preceding the assessment.

New investments, subsidiaries and affiliates, whether listed or unlisted, are valued at cost during the first 12 months of their acquisition. Post-acquisition, the subsidiaries establish yearly consolidated financial statements, certified by the Statutory Auditors, and update their business plans and profit forecasts for the fiscal year following the date of acquisition. After this period, companies are valued as per the above listed methods.

Somfy Participations portfolio valuation

€ millions	Valuation at 31/12/2011	Valuation at 31/12/2010
Equity portfolio	291.3	375.9
Mezzanine portfolio	66.2	61.1
TOTAL PORTFOLIO	357.5	437.0

Post-balance sheet events

At the end of February 2012, Chinese authorities approved the acquisition of 15% of LianDa's share capital by **Somfy Activities**. As a result, Somfy's equity investment in this company rose to 95%.

Outlook

The prevailing environment leads the Group to make preparations for uncertain market developments over the next few months and to adjust its progress plan accordingly.

Therefore, Somfy Activities, which will bear the full-year impact of expenses incurred last year, will have to tailor and adapt its expense base depending on how the economic situation develops to preserve and maintain its level of profitability. However, the consumers' ever greater desire to improve their home validates and reinforces the strategy implemented over the last two years.

Somfy Participations will share the same objective of supporting companies in its portfolio to optimise their business model and develop their operations, at the same time as studying investment and disposal opportunities.

Information on the distribution of capital and holdings

Distribution of capital

(Article L. 233-13 of the Commercial Code)

Shareholders owning more than 5% of the share capital and/or controlling more than 5% of voting rights at 31 December 2011:

	Number of shares	% share capital	Number of voting rights	% voting rights*
JPJ-S SCA**	3,858,802	49.24	7,717,604	59.35
Despature family**	825,273	10.53	1,036,628	7.97
JPJ 2 SA**	629,458	8.03	986,608	7.59
FAAC Holding SAS	571,400	7.29	1,142,800	8.79
Manacor**	391,900	5.00	483,810	3.72

** Based on share capital comprising 7,836,800 shares at 31 December 2011 representing 13,003,253 voting rights.*
*** There is a binding agreement between JPJ-S SCA, members of the Despature family and the companies JPJ 2 and Manacor.*

Changes to this list during 2011 are described below in the section "Disclosure of shareholding threshold crossings pursuant to Article L. 223-7 of the Commercial Code".

Reciprocal holdings

(Articles L. 233-29 and R. 233-19 of the Commercial Code)

There are no reciprocal holdings as defined by current regulations.

Shareholders' agreements

Action in concert and pre-emption agreement

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

This agreement, which was submitted to the French Financial Markets Commission on 5 March 1998, sets out the conditions under which the pre-emption right may be exercised in the event of transfer by the signatories of their Somfy 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 quarters majority of the share capital of Somfy SA represented by all the signatories. JPJ-S SCA shall administer the agreement for an unlimited period.

Collective retention agreements

A collective retention agreement relating to 60.83% of the share capital of Somfy SA and 70.08% of the voting rights of shares issued was signed on 30 December 2009 by several shareholders, including Management Board members Paul Georges Despature, Wilfrid Le Naour and Jean-Philippe Demaël, as well as Supervisory Board members Jean-Bernard Guillebert, Jean Despature, Victor Despature, Xavier Leurent and Anthony Stahl, in accordance with Article 885 I (ii) of the General Tax Code, for a period of two years from 30 December 2009, automatically extended indefinitely after this two year period.

In addition, ten collective retention agreements relating to 56.84% of the Somfy SA company share capital, were signed on 9 and 22 April 2010 and 13 December 2010 by a number of shareholders, including Management Board members Paul Georges Despature, Jean-Philippe Demaël and Wilfrid Le Naour 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 registration and automatically extended indefinitely after this period, unless one of the signatories gives notice of termination to other signatories.

Bylaw provisions relating to multiple voting rights

(Excerpt of Article 28 of the bylaws)

"The voting right attached to the shares is proportional to the capital that they represent. Each Company share entitles to one vote.

A voting right that is double that conferred on shares 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 calendar year preceding that of each General Meeting.

In the case of a capital increase by the capitalisation of reserves, profits or issue premium, registered shares granted free of charge to a shareholder in exchange for existing shares, which already benefit from this right, will be entitled to the same double voting right.

All shares converted into bearer shares or whose ownership has been transferred shall lose their entitlement to a double voting right, except in instances provided for by law."

Disclosure of shareholding threshold crossings during the 2011 financial year, pursuant to Article L. 233-7 of the Commercial Code

The company Manacor declared having crossed the upward threshold of 5% ownership of the share capital of Somfy on 13 September 2011 and holding 391,900 Somfy shares on that date, representing 483,810 voting rights, being 5.0008% of the share capital and 3.81% of voting rights.

This threshold crossing resulted from the purchase of shares off-market.

Information on the purchase of own shares

(Article L. 225-211 of the Commercial Code)

The Company has implemented several successive treasury share purchase programmes. The most recent programme was launched in 2011; it was authorised by the Combined General Meeting of 18 May 2011 and had the following objectives:

- to stimulate the secondary market or ensure the liquidity of the Somfy SA share, by way of an investment services provider within a liquidity contract that complies with the Ethics Charter of AMAFI recognised by the "Autorité des Marchés Financiers";
- to retain the shares purchased and subsequently exchange them or use them within the framework of potential acquisitions, recognising that shares acquired to that end may not exceed 5% of the Company's share capital;
- to ensure the coverage of option plans to purchase shares and other forms of allocations of shares granted to employees and senior executives of the Group, in accordance with the terms and conditions prescribed by law, in particular in relation to employee profit-sharing, the Group savings scheme or the allocation of free shares;
- to cover marketable securities giving right to the allocation of shares in the Company, in accordance with applicable regulations;
- to proceed with the possible cancellation of shares acquired according to the authorisation granted by the Combined General Meeting of 12 May 2010 in its ninth resolution, sitting in extraordinary session.

These transactions may notably be carried out at times of a takeover bid, in compliance with Article 232-15 of the AMF General Regulations, if the bid is entirely cash-based and buyback transactions are carried out as part of the continued implementation of an on-going programme and are not liable to make the bid fail.

The maximum purchase price is set at €250 per share. Therefore, the maximum amount of the share buyback programme is €195,920,000.

During the financial year, on the basis of the authorisations given by the General Meetings of 2010 and 2011, the Company bought back 131,166 shares at an average price of €186.75, sold 2,401 shares at an average price of €179.10 and allocated 5,413 shares at an average price of €76.81 in respect of exercised options.

Out of the 131,166 shares acquired, 7,259 shares were allocated to the liquidity objective and 11,653 to covering share purchase option plans and plans to grant free shares to employees and directors of the Group and 112,254 to retain them and subsequently exchange them or use them within the framework of potential acquisitions.

Trading fees amounted to €10,417.79.

No other shares were re-allocated for objectives other than those initially specified.

The Company held 356,583 shares at 31 December 2011, representing 4.55% of the capital. The value of the purchase price of the share amounted to €176.54 for a nominal value of €1 each, representing a total nominal value of €356,583.

The Management Board will submit a new treasury share purchase plan for a period of eighteen months for shareholders' approval. This plan would replace the current programme, which will be terminated early. It would allow management to purchase up to 10% of the shares of the Company, if necessary restated for any potential capital increase or decrease transactions that may be carried out over the timeframe of the programme. The main objectives of this programme would be:

- to stimulate the secondary market or ensure the liquidity of the Somfy SA share, by way of an investment services provider within a liquidity contract that complies with the Ethics Charter of AMAFI recognised by the "Autorité des Marchés Financiers";
- to retain the shares purchased and subsequently exchange them or use them within the framework of potential acquisitions, recognising that shares acquired to that end may not exceed 5% of the Company's share capital;
- to ensure the coverage of option plans to purchase shares and other forms of allocations of shares granted to employees and senior executives of the Group, in accordance with the terms and conditions prescribed by law, in particular in relation to employee profit-sharing, the Group savings scheme or the allocation of free shares;
- to cover marketable securities giving right to the allocation of shares in the Company, in accordance with applicable regulations;
- to proceed with the possible cancellation of shares acquired according to the authorisation to be granted by the Combined General Meeting of 15 May 2012 in its seventh resolution, sitting in extraordinary session.

These transactions may notably be carried out at times of a takeover bid, in compliance with Article 232-15 of the AMF General Regulations, if the bid is entirely cash-based and buyback transactions are carried out as part of the continued implementation of an on-going programme and are not liable to make the bid fail.

The Company reserves the right to use options or derivative instruments, in accordance with applicable regulations.

We propose to set the maximum purchase price at €250 per share, and consequently the maximum amount of the share buyback programme at €195,920,000.

As a consequence of the cancellation objective, we ask you to authorise the Management Board, for a period of 24 months, to cancel the shares the Company holds or will hold as a result of buying back shares within the framework of its share buyback programme, on its own initiative, in one or more occasions, within a limit of 10% of the share capital as calculated on the date of the decision to cancel shares and after deducting shares already cancelled over the previous 24 months, and to reduce the share capital by the same amount, in accordance with legal and regulatory provisions in force.

The Management Board would thus be granted the power to do whatever is necessary in that respect.

Information on investments and controlled companies

Investments in French companies during the financial year ending 31 December 2011 (Article L. 233-6 of the Commercial Code):

Company name	Direct control		Indirect control	
	Number of shares	% share capital	Number of shares	% share capital
STOR'M SARL	200 membership shares	40.0	-	-
Pellenc SA	1,230,726 shares	47.23	-	-

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

Elements liable to have an impact in the event of a public offering (Article L. 225-100-3 of the Commercial Code)

Under existing regulations, the following may be impacted in the event of a public offering:

- the capital structure and all direct or indirect holdings known of Somfy SA and all relevant information that is described under "Information on the distribution of capital and holdings";
- there are no bylaw restrictions to the exercise of voting rights;
- there are no securities carrying special voting rights, aside from the existence of double voting rights enjoyed by fully paid shares registered under the same named shareholder for at least four years (see excerpt from Article 28 of the bylaws);
- voting rights attached to Somfy shares held by personnel through FCPE Somfy (Somfy Investment Fund Scheme) are exercised by a representative appointed by the Supervisory Board of the FCPE to represent it at the Annual General Meeting;
- covenants and other commitments signed between shareholders that could lead to restrictions on the transfer of shares and exercise of voting rights have been referred to in the "Shareholders' Agreements";
- rules governing the appointment and replacement of Management Board members and any bylaw amendments are provided for in Articles 15 and 30 of the bylaws reproduced below:

Bylaw provisions relating to the appointment and replacement of members of the Management Board (Excerpt of Article 15)

"The Management Board is composed of a minimum of two and no more than five members who may or may not be shareholders.

In accordance with the law, the Supervisory Board will appoint Board Members, determine their number, nominate the Chairman of the Board and determine the Board's remuneration.

No person aged over 70 may be appointed to the Management Board. Members of the Management Board upon reaching this age shall step down at the Supervisory Board's next meeting.

The Supervisory Board is authorised to assign the powers of the Chairman of the Board, as conferred by law, to one or more members of the Management Board who carry the title Chief Executive Officer.

Board Members can be re-elected.

In case of a vacancy, a replacement shall be appointed for the time remaining until re-election of the Board.

The Supervisory Board must fill Board vacancies within a two month time frame should the number of Directors fall below the minimum required by the bylaws. Otherwise, any interested party may ask the President of the Commercial Court, acting in chambers, to make this temporary appointment. The person thus appointed may, at any time, be replaced by the Supervisory Board.

Management Board members or the Chief Executive Officer may only be dismissed by the Annual General Meeting or by the Supervisory Board. If dismissal is decided without just cause, it may give rise to damages. In the case where an individual holds an employment contract with the Company, the revocation of his/her functions purely as a Management Board Member or Chief Executive Officer will not terminate this contract".

Bylaw provisions relating to bylaw amendments (Excerpt of Article 30)

"Only an Extraordinary General Meeting can modify the Company's bylaws in all its provisions. Nevertheless it cannot increase shareholders liabilities with the exception of operations resulting from an exchange or regrouping of shares properly decided and executed.

It requires a two-thirds majority of votes of present or represented shareholders, including shareholders who voted by mail".

- concerning powers, the Management Board has no delegations except those described under the sections "Information on delegations relating to share capital increases and other authorisations" and "Information on the purchase of own shares";
- agreements concluded by the Company that may be altered or terminated upon a change of control of the Company are as follows: credit line contracts signed between Somfy SA and credit institutions concerning credit facilities granted that require informing the said banks of all projects related to a significant change in its shareholding, notably those resulting in a transfer of control to a new company;
- there are no agreements providing for benefits upon termination of the term of office of a Management Board member.

Information on the terms and conditions of retentions of shares allocated free of charge to senior executives
(Article L. 225-197-1 II paragraph 4 of the Commercial Code)

At its meeting of 13 May 2009, the Supervisory Board set the number of shares that every member of the Management Board is required to retain in nominative form until the termination of their term of office: resulting in every member being required to retain 25% of the total shares allocated free of charge, this percentage being reduced to 20% at the end of 4 years from the allocation, then successively to 15% at the end of 6 years from the allocation to 10% at the end of 8 years from the allocation and to 5% at the termination of their term of office.

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

The Supervisory Board met on 12 November 2009 and reappointed the Management Board members. These appointments took effect on 27 November 2009, for a period of four years.

The Management Board is composed as follows:

Name	Position	Date appointed	Date term expires
Paul Georges DESPATURE	Chairman	27 November 2009	26 November 2013
Jean-Philippe DEMAËL	Member	27 November 2009	26 November 2013
Wilfrid LE NAOUR	Member	27 November 2009	26 November 2013

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

Paul Georges DESPATURE
Chairman of the Management Board

- Chairman of the Supervisory Board of Damartex SA;
- Member of the Supervisory Board of CIAT Group SA and Compagnie Industrielle d'Applications Thermiques SA;
- Director of FAAC SpA;
- Manager of CMC SARL.

Remuneration includes a fixed and a variable element. Variable remuneration is determined by the Remuneration Committee on the basis of the performance measured of both the Somfy Activities and Somfy Participations branches, weighted by the contribution of each branch to the Group's net profit. A debt measurement criterion is added (net debt/cash flow at 31 December of the relevant year).

Due to confidentiality reasons, the level of achievement of these variable remuneration quantitative criteria is not disclosed.

Details of remuneration paid during the year just ended are included in the summary table (page 14).

Since the termination of his employment contract on 30 June 2010, the Chairman of the Management Board only receives remuneration in respect of his term of office.

Wilfrid LE NAOUR
Chief Executive Officer of Somfy Participations

- Chairman of the Supervisory Board of Financière Nouveau Monde SA, Cotherm Participations SA and Direction Marty Holding SA;
- Observer of NMP SAS;
- Chairman of Somfy Ltd and Provence Nouveau Monde SAS;
- Member of the Supervisory Board of Damartex SA, CIAT Group SA, Compagnie Industrielle d'Applications Thermiques SA and Pellenc SA;
- Director of Somfy Mexico SA de CV, Gaviota Simbac SL, FAAC SpA, BFT SpA, Somfy Middle East Co Ltd and Somfy Systems Inc.;
- Manager of Somfy GmbH.

Remuneration includes a fixed and a variable part. Variable remuneration is determined by the Remuneration Committee on the basis of four criteria specific to Somfy Participations:
- the change in the net asset value of equity investments;
- the percentage achievement of annual budgets;
- the improvement of Somfy Participations' financial position;
- the Supervisory Board's approval of the strategic plan submitted.

Due to confidentiality reasons, the level of achievement of these variable remuneration quantitative criteria is not disclosed.

The variable remuneration also includes profit sharing, employee shareholding and contributions to the Group savings scheme, as described in the Chairman's report on internal control and corporate governance.

Benefits in kind include the use of a company car.

Details of remuneration paid during the year just ended appear in the summary table (page 14).

Jean-Philippe DEMAËL
Chief Executive Officer of Somfy Activities

- Chairman of NV Somfy SA, Somfy Hellas SA, Somfy Pty Ltd, Somfy SAS, Somfy China Co Ltd, Somfy AG, Somfy España SA, Somfy SIA, Somfy Nordic AB, Somfy Middle East Co Ltd, Somfy KK, Asian Capital International Ltd, Sino Link Trading Ltd and Sino Global International Holdings Ltd;
- Director of Somfy Co Ltd, Somfy ULC, Somfy India PVT Ltd, Somfy Systems Inc., Promofi BV, Somfy BV, Somfy Joo Co Ltd, Somfy Italia Srl, Energy Eye Inc., Harmonic Design Inc., Somfy Taiwan Co Ltd, Somfy Ltd, SISA Home Automation Ltd, Somfy Pte Ltd, Ningbo Dooya Mechanic and Technology Co. Ltd, Hong Kong CTLT Trade Co Ltd, New Unity Ltd, Somfy Pty Ltd, Somfy Nordic AB, Somfy Hellas SA, NV Somfy SA, Somfy AG, Somfy España SA and Somfy KK;
- Manager of Somfy GmbH.

Remuneration includes a fixed and a variable part. Variable remuneration is determined by the Remuneration Committee on the basis of an objective scale, taking the following items into account:
- profit growth (average annual growth of current operating result over two years);
- return on capital employed (average ROCE over two years);
- business development, measured by sales growth and by its differential between the sales growth of a range of reference points comprised of nine companies considered to be comparable.

Due to confidentiality reasons, the level of achievement of these variable remuneration quantitative criteria is not disclosed.

The variable remuneration also includes profit sharing, employee shareholding and contributions to the Group savings scheme, as described in the Chairman's report on internal control and corporate governance.

Benefits in kind include the use of a company car.

Details of remuneration paid during the year just ended appear in the summary table (page 14).

The company CMC SARL established a supplementary pension plan in 2006. This plan applies to Directors and III-C position Executives, as well as Managers benefiting from an employment contract, in accordance with the categories defined by the French Convention Collective Nationale des Ingénieurs et Cadres de la Métallurgie.

The plan grants a contingent right to supplementary pension, pursuant to the so-called "Article 39", which is a function of the seniority of the beneficiary (a minimum of 15 years). The right to supplementary pension is acquired at a rate of 0.75% per year of service and cannot exceed 15% of the potential beneficiary's reference salary. The reference salary is defined as the average of the best three years after applying CNAV re-evaluation coefficients. Based on estimates setting at 35% the future rate of replacement provided by the compulsory pension plans when the related population reaches retirement age, this plan should enable increasing the rate to 35 + 15 = 50% of the reference salary for beneficiaries whose career within the Group lasted 20 years or more.

Commitments of the plan and corresponding assets have been outsourced to an insurance company. Future commitments are fully covered by plan assets under management, which were measured at fair value.

Management Board members likely to be concerned by this plan are Wilfrid Le NAOUR and Jean-Philippe DEMAËL.

In relation to their employment contract prior to their appointment to the Management Board, Wilfrid LE NAOUR and Jean-Philippe DEMAËL also benefit from a so-called "Article 83" defined contribution pension plan, applicable to Senior Executives and Managers benefiting from an employment contract, for whom the portion of contributions payable by the Company represents 6.25% of remuneration, limited to the tranche B cap applicable to the Senior Executives' regime.

The exercise of stock options previously granted to these two directors is included in the special report presented to the Annual General Meeting, pursuant to Article L. 225-184 of the Commercial Code.

For members of the Management Board who had benefited from stock options until then, the new constraints introduced by the Law of 3 December 2008 have led the Supervisory Board to exclude them from future allocations of performance-based shares and stock options. However, the Board deemed it necessary to continue giving sense to their contribution and bring their interest as much as possible in line with those of the shareholders and other managers, as in the past. Therefore, it was decided to grant them variable remuneration based on identical performance conditions to those used for allocating performance-based shares to Management. No such share was transferred in that respect during the financial year. It should be noted that the Chairman of the Management Board remains excluded from stock option allocations and is therefore not concerned by this decision.

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

Martine CHARBONNIER
Member of the Supervisory Board

- Member of the Audit Committee of Somfy SA;
- Member of the Supervisory Board of Damartex SA and Altamir Amboise SCA;
- Director of Shan SA and Ausy SA.

Jean DESPATURE
Vice-Chairman of the Supervisory Board

- Member of the Supervisory Board of Damartex SA.

Victor DESPATURE
Member of the Supervisory Board

- Member of the Audit Committee and Remuneration Committee of Somfy SA;
- Chairman and Chief Executive Officer of MCSA SA;
- Chairman of the Supervisory Board of SCA JPJ-D and JPJ-S;
- Member of the Supervisory Board of Damartex SA and SAS Mobilis;
- Permanent representative of MCSA SA, Chairman of SAS MCSA-CELERC, MCSA-SIPEM and MCSA-SET;
- Manager of SARL MCSA PARTICIPATION, MGS, MCSA-2E and MCSA-Tunis and SC VICMA, DEVIN-VD, LE MARECHAL and POUZAINT;
- Director of SA COLAM ENTREPRENDRE.

Jean-Bernard GUILLEBERT
Chairman of the Supervisory Board

- Chairman of the Audit Committee and member of the Remuneration Committee of Somfy SA;
- Vice-Chairman of the Supervisory Board of Damartex SA.

Xavier LEURENT
Member of the Supervisory Board

- Member of the Supervisory Board of Damartex SA;
- Manager of FIDEP.

Valérie PILCER
Member of the Supervisory Board

- Member of the Audit Committee of Somfy SA.

Anthony STAHL
Member of the Supervisory Board

- Member of the Supervisory Board of Damartex SA, JPJ-D and JPJ-S;
- Manager of FIDEP.

Remuneration of members of the Management Board and Supervisory Board

Summary of remuneration

(€)	Attendance fees 2011	Fixed remuneration 2011	Variable remuneration 2011 (*)	Benefits in kind 2011
Members of the Management Board				
Paul Georges DESPATURE – Chairman of the Management Board	–	200,000	394,000	–
Jean-Philippe DEMAËL	–	350,524	252,103	4,668
Wilfrid LE NAOUR	–	357,000	184,103	5,916
Members of the Supervisory Board				
Jean-Bernard GUILLEBERT – Chairman of the Supervisory Board	10,800	39,960 (**)		
Martine CHARBONNIER	5,000			
Jean DESPATURE	5,000			
Victor DESPATURE	14,600			
Xavier LEURENT	5,000			
Valérie PILCER	5,000			
Anthony STAHL	5,000			

(*) Remuneration paid in 2011 in respect of 2010.
(**) Remuneration as Chairman of the Supervisory Board.

Options allocated and exercised during the year

Wilfrid LE NAOUR - Position at 31/12/2011

Plan N°	Date of allocation	Date of vesting	Allocation price	Unexercised at 31/12/10	2011 allocations	2011 exercised	2011 lapsed	Balance at 31/12/11
14	31/03/06	01/04/10	185.00	3,075			– 3,075	0
15	02/04/08	03/04/12	155.00	3,000				3,000
				6,075	**0**	**0**	**– 3,075**	**3,000**

Jean-Philippe DEMAËL - Position at 31/12/2011

Plan N°	Date of allocation	Date of vesting	Allocation price	Unexercised at 31/12/10	2011 allocations	2011 exercised	2011 lapsed	Balance at 31/12/11
15	02/04/08	03/04/12	155.00	3,000				3,000
				3,000	**0**	**0**	**0**	**3,000**

The Chairman of the Management Board is not a beneficiary of option plans or performance-based shares.

During the financial year, no member of the Management Board received options, nor performance-based shares, nor benefited from performance-based shares that became available to them.

Procedure for setting the remuneration of Management Board and Supervisory Board members

The remuneration of Management detailed above is proposed by the Remuneration Committee. It is revised each year on the basis of expert advice and is in line with the Market.

The Remuneration Committee, having considered the Middlenext recommendations on the remuneration of Directors of listed companies, defines and submits for approval to the Supervisory Board the various components of remuneration and the criteria for allocating the variable share of Directors' remuneration.

At the General Meeting of 18 May 2011, the shareholders decided to set attendance fees for the next financial years at €80,000 until otherwise specified.

The Supervisory Board apportions attendance fees among its members based on their attendance at Board meetings and Audit Committee and Remuneration Committee meetings.

The Chairman of the Supervisory Board receives specific remuneration for carrying out his duties as Chairman.

Information on transactions performed by directors during the financial year (Article 223-26 of AMF General Regulations)

The Company is aware that various transfer and purchase transactions falling within the scope of Article L. 621-18-2 of the Monetary and Financial Code have been carried out for the respective amounts of €35,000 and €1,362,800 during the past financial year.

In addition, a member of the Supervisory Board transferred Somfy SA shares valued at €5,334,681.17 to a company closely related to him.

Proposal for the appointment of a new Supervisory Board member

It is proposed that you appoint Michel ROLLIER as member of the Supervisory Board, in addition to current members, for a period of six years until the 2018 General Meeting held to approve the financial statements for the year then ending.

Michel ROLLIER, a French national, is a graduate from the Institut d'Etudes Politiques de Paris and from Université de Droit de Paris. He held various operational responsibilities with the International Paper Group, prior to joining the Michelin Group as Chief Legal Officer and Director of Financial Operations. Subsequently, he was appointed Managing General Partner and then Managing Chairman. He is currently Managing Partner of Compagnie Financière Michelin, Director of Lafarge and Director and Vice-Chairman of Siparex Associés.

Michel ROLLIER meets all the independence criteria set out by the Board's internal regulations.

Corporate governance

Change of corporate governance code

The Supervisory Board meeting of 27 February 2012 decided to adopt the Middlenext Code in preference to the AFEP/MEDEF corporate governance code for listed companies, as it considered that its recommendations and guidelines were better suited to the Company, particularly in the light of its share ownership structure.

Audit Committee

The Audit Committee currently comprises 4 members, Jean-Bernard GUILLEBERT who chairs the Committee and Victor DESPATURE, Martine CHARBONNIER and Valérie PILCER.

The Committee's mission is to monitor the preparation of financial information and the efficiency of internal and risk management systems. It is also informed of due diligence carried out by the Statutory Auditors in their legal assignment to audit the parent company and consolidated financial statements, ensures the latter's' independence and is involved in their selection.

The Audit Committee supervises the work of Internal Audit and approves the annual audit plan. It proposes, directs and ensures the follow-up of Internal Audit assignments.

Since its creation, it has met at each half-year and year-end.

During the 2011 financial year, the Audit Committee met five times with an attendance rate of 100%.

The Internal Audit Department is under the supervision of the Audit Committee and reports to the Chairman of the Management Board, and by delegation to the Group's Chief Financial Officer.

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

An audit plan is established annually together with Somfy Group's management. It is subject to approval by the Management Board and validation by the Audit Committee. The assignments included in the audit plan provide an independent assessment of the efficiency of the internal control procedures of each entity.

If applicable, the main weaknesses of internal control are communicated and recommendations are issued. The follow up of recommendations is carried out once a year. A report is presented to the Executive Committee of Somfy Activities, to the Management Board and to the Audit Committee.

In addition, urgent assignments, not included in the audit plan may be carried out during the year upon request from the Management Board or the Audit Committee.

Twice a year, the Internal Audit Officer presents his report on the activities of his/her department to the Management Board and the Audit Committee.

Remuneration Committee

The Remuneration Committee comprises 2 members, Victor DESPATURE and Jean-Bernard GUILLEBERT (independent member), and submits proposals to the Supervisory Board, notably concerning the amount and methods of calculation of remuneration of Directors and senior management and to offer an opinion on attendance fees.

The Committee engages a firm specialised in senior executive remuneration, which informs them of the generally applied practices in comparable companies.

The Remuneration Committee met four times during the year ending 31 December 2011. The members had an attendance rate of 87.5%.

The work of the Committee is the subject of a verbal presentation to the Supervisory Board to help prepare and substantiate the decisions of the Board in terms of senior executive remuneration.

Independence of the members of the Supervisory Board

As provided by the Middlenext framework, the Board has assessed the independence of its members.

Based on the independence criteria suggested by the Middlenext framework, the Supervisory Board notes that, to date, an independent member of the Board is a member who has no relationship of any nature whatsoever with Somfy SA or its management, or with a company consolidated by Somfy Group, that may affect his/her freedom of judgment, and who meets the following criteria:

- he/she is not an employee or has not held a general management position within the Group, over the past three years;
- is not a significant customer, supplier, banker of Somfy SA or its Group, or for which Somfy SA or its Group represent a significant share of his/her business activity;
- is not a significant shareholder of Somfy SA;
- is not closely related to a significant shareholder or Director;
- has not been a Statutory Auditor of Somfy SA over the past three years.

In light of these criteria, the Supervisory Board considered that Martine CHARBONNIER, Valérie PILCER and Jean-Bernard GUILLEBERT qualify as independent members.

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

In 2011, Somfy focused its innovation and research effort on house automation, which is the main thrust of the Group's desire to contribute to improving the living environment of people and meet their fundamental needs for well-being, safety, energy savings and self-reliance.

This drive was reflected in particular by the upgrade and rollout of its TaHoma web interface. This interface is a genuine breakthrough in the Somfy range, as TaHoma, which connects to an internet box, makes it easy for Somfy opening and closing automation to communicate with other home equipment. For the Doors and Gates business, house automation innovation involved the development of a complete range of access and safety solutions: gates, garage doors, alarms, lighting, heating, intercom and videophones.

In its original business of the automation of rolling shutters, innovation was reflected in more user-friendly programming and the use of remote controls intended to create pre-programmed life scenarios, with the launch of two new models (Telis 16 and Telis 6 Chronis) in the RTS range. Inside the home, users have expressed ever greater demand for silent motors and solutions that do not need to be plugged in. To that end, Somfy continued to invest on extending its Sonesse range, which currently covers all applications (rolling blinds, Roman blinds, Venetian blinds, projection screens). In 2011, the autonomous solutions of the battery-operated Wirefree range had their first successes, particularly in the US.

As for the service industry, for which Somfy offers bioclimatic façade solutions that lead to a 20% to 40% reduction in the energy consumption of the building depending on the climatic region it is located in, in 2011 the Group innovated by launching the first tool in the market dedicated to the simulation and management of the shade created by the building. Via the computer modelling of the shade made on the façades even before the building is commissioned, this new tool allows for extremely precise management of solar protection automation. Furthermore, Somfy developed partnerships with other manufacturers to interface with all energy-saving equipment of the building to create integrated offers and therefore optimise the performance of its energy-saving solutions.

These new products and solutions have been protected in 2011 by 36 patents. In addition, in order to meet its strategic goals, Somfy added more than 100 new engineers and technicians to its research and development centre in Cluses. Lastly, as part of a research programme carried out jointly with Tefal and SNR, the Group has implemented a project for a new technology of sensors.

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

At 31 December 2011, the FCPE Somfy (Somfy Investment Fund Scheme) held 49,481 Somfy shares amounting to 0.63% of the Company's share capital.

Information on the environmental impact of company operations (Article L. 225-102-1 of the Commercial Code)

Following the creation of a Sustainable Development Department which was granted cross-group authority in all areas relating to the Company's environmental responsibility, Somfy focuses its policy of improving it environmental performance in three areas: control of the environmental footprint of its industrial sites and operations, the reduction of the impact of its products through eco-design and, lastly, the improvement in the efficiency of energy saving solutions marketed by Somfy. For the first theme, an action plan was implemented to reduce heating consumption of the four Cluses sites by 7% and reduce by 30% the consumption of electricity of the R&D site.

Due to a relentless and ambitious policy derived from the findings of the Carbon Test carried out in 2008, the Company registered a 22% decrease in CO_2 emissions over this four-year period. Furthermore, in relation to waste management, 76% of waste produced by the French sites has been recycled and 21 tons of paper have been collected through the recycling system put into place in offices.

In relation to the impact of its products, the Company has carried out an analysis of the life cycle of its products, resulting in a substantial reduction in the energy consumption of several of its ranges. As a result, the consumption of OXIMO motors in stand-by mode has been halved. Somfy also adheres to the PEP product "eco-passport" environmental labelling programme and to the streamlined use of packaging, which generated savings of 15.8 MWH and 19.6 Teq CO_2.

Lastly, in order to inform and motivate all employees about the Group's sustainable development policy, in 2011 the in-house network of eco-ambassadors collected more than 30 new ideas for eco-gestures and exemplary practices, which will be implemented in 2012, including a new carbon test for all French sites.

Consumption table in 2011

	Quantity	Value (€ thousands)
Water (m^3)	69,131	131
Electricity (MW)	30,856	2,565
Copper (Tons)	1,104	8,946

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

At the end of 2011, Somfy Group had almost 8,000 employees operating in 56 countries, split between 6,900 employees for Somfy Activities and 1,100 for Somfy Participations.

Somfy Activities recruited more than 300 new employees to join the R&D and sales force teams, particularly in emerging countries, to support its growth ambition.

At the same time, the development of individual skillsets, through processes implemented throughout the career development of every employee, is a major thrust of Somfy's strategy, reflected for instance in France by more than 30,000 hours of training. A global corporation, Somfy also encourages the international mobility of its employees.

Since 2010, the Company has been committed, as signatory of a Disability Charter, to encouraging the employment of disabled people and developing their recruitment. This project particularly includes actions to raise the awareness of employees and signing contracts with a larger number of subcontractors that employ disabled people. In 2011, this was also reflected in adapting workstations, financing hearing aids and funding vocational rehabilitation or retraining.

Other steps taken this year include safety training provided to the staff of all four Cluses and Bonneville sites. €100,000 and 500 training days were therefore dedicated to risk prevention, which led to a reduction of 58% in major risks.

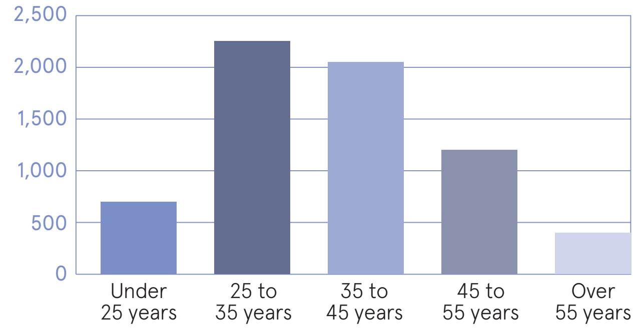
Lastly, 1,234 French employees participated in a survey on stress at work. The results showed that a good atmosphere prevails at Somfy, with few situations potentially causing stress.

It is the Group's intention to be a company aware of its duties as a corporate citizen, as testified by its corporate foundation which operates in housing, its naturally legitimate field of intervention. Along with government bodies and non-profit organisations, Fondation Somfy operates in three major areas: access to housing and combatting poor housing; support for pilot or innovative social diversity initiatives based on the topic of "living better together"; and the employability of people experiencing difficulties by teaching them about building jobs.

Every year, Somfy dedicates 1% of its net profit to funding projects supported by the Foundation. In France, every employee can also dedicate two days a year to volunteering or sponsorship of skills: the first day on working time, the second one on their entitlements resulting from the 35 hour working week.

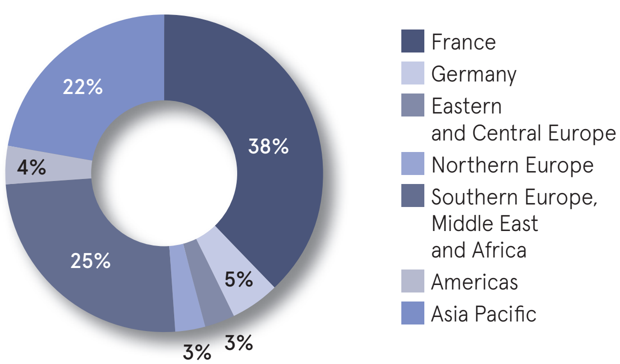
In 2011, Fondation Somfy worked hand-in-hand with Emmaüs France, a long-standing player in the fight against poverty and poor housing. Its support extended to a major area of Emmaüs' work: the renovation / rebuilding of Emmaüs community buildings.

Workforce analysis by age

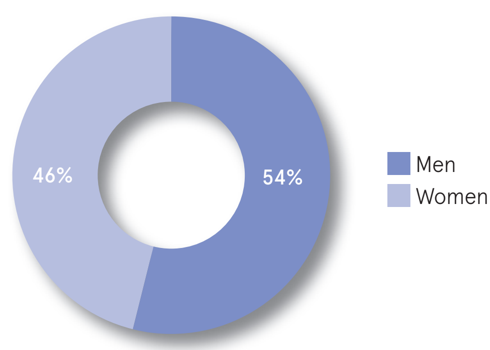


A few figures

Workforce analysis by geographic region



Workforce analysis by gender



Information on delegations relating to share capital increases and other authorisations (Article L. 225-100 of the Commercial Code)

The Management Board benefits from the following delegations of authority:

	Date of General Meeting	Authorisation expiry date	Authorised amount	Used during the financial year ended 31 December 2011	Residual amount at 31 December 2011
Authorisation to issue stock options	Extraordinary General Meeting 13 May 2009	12 July 2012	1.5% of share capital	None	1.5% of share capital
Authorisation to grant existing free shares	Extraordinary General Meeting 13 May 2009	12 July 2012	1.5% of share capital	None	1.5% of share capital
Authorisation to proceed to shares buy back	Ordinary General Meeting 18 May 2011	17 November 2012	10% of share capital	1.7% of share capital	5.45% of share capital
Authorisation to cancel shares bought back by the Company	Extraordinary General Meeting 12 May 2010	11 May 2012	10% of share capital	None	10% of share capital

It does not benefit from any delegation of authority or powers granted by the General Meeting in respect of increases in capital in relation to Articles L. 225-129-1 and L. 225-129-2 of the Commercial Code.

It will be proposed to the General Meeting of 15 May 2012 to grant the following delegations and authorisations to the Management Board:

Authorisations relating to individual employee shareholding

In order to continue to implement a motivating employee shareholding policy that supports the development of the Company, we propose that you renew the authorisations granted to the Management Board to proceed with the allocation of stock options and free shares, which will expire on 12 July 2012, as follows:

1. Authorisation to allocate stock options

We propose that you authorise the Management Board, for a period of 38 months, to allocate stock options to employees, some of them or certain categories of staff and/or senior executives as defined by the law, either employed by the Company or companies or economic interest groups related under the terms and conditions set out by Article L. 225-180 of the Commercial Code;

The total number of options that may be granted by the Management Board under this authorisation may not entitle beneficiaries to purchase more than 1.5% of the share capital outstanding on the date of first allocation, it being specified that this limit will be restated for the total number of shares that may be granted free of charge by the Management Board under the following authorisation relating to the allocation of free shares.

The purchase price of the shares by the beneficiaries will be set on the date options are granted by the Management Board, pursuant to Article L. 225-177 paragraph 4 and Article L. 225-179 paragraph 2 of the Commercial Code, and may not be lower than the average closing price of the last twenty trading days of the share on Euronext Paris preceding the date of allocation of the shares.

Options granted by the Management Board may not remain valid for more than six years after their allocation date.

The Management Board would therefore have all powers, within the above limitations, to set other terms and conditions pertaining to the allocation and exercise of the options, particularly to set the terms and conditions under which options will be granted and establish the list of beneficiaries or categories of beneficiaries, set the period or periods of exercise of the options thus allocated and generally take all necessary steps.

2. Authorisation to allocate existing shares free of charge to employees (and / or certain senior executives)

We propose that you authorise the Management Board, for a period of 38 months, to proceed with the allocation of existing ordinary shares free of charge in accordance with Article L. 225-197-1 of the Commercial Code.

Beneficiaries may include:

- employees of the Company or companies directly or indirectly related to it within the meaning of Article L. 225-197-2 of the Commercial Code;
- senior executives meeting the terms and conditions set out by Article L. 225-197-1 of the Commercial Code.

The number of shares that may be granted free of charge by the Management Board in respect of this authorisation may not exceed 1.5% of the share capital outstanding on the date of allocation by the Management Board, it being specified that this limit would be restated for the total number of shares that may be issued following the exercise of options granted by Management Board under the above authorisation relating to stock options.

The allocation of shares to the beneficiaries will be final at the end of a vesting period, the duration of which will be set by the Management Board. This period may not be less than two years. The beneficiaries will subsequently have to retain these shares for a period set by the Management Board, it being specified that the retention period may not be less than two years following the final vesting of the shares.

However, the Management Board will be authorised not to impose any retention period should the vesting period of all or part of the shares be four years or more.

As an exception, the final allocation would take place before the end of the vesting period should the beneficiary be declared to suffer from a disability classified as second or third category pursuant to Article L. 341-4 of the Social Security Code.

Management would therefore have all powers, within the above limitations, to set the terms and conditions, and, if applicable, the criteria for allocating the free shares, determine the identity of the beneficiaries of free shares amongst individuals meeting the above criteria and the number of shares to be allocated to each of them, determine the effect of transactions modifying the share capital or liable to impact the value of the shares to be granted carried out during the vesting and retention periods on the beneficiaries' entitlements, purchase the necessary shares within the framework of the share buyback programme and transfer them to the allocation programme, and generally do whatever the implementation of this authorisation will require in accordance with applicable regulations.

3. Delegation of authority to increase the share capital for the benefit of members of a group savings plan

We submit the following resolution for your approval in order to comply with the provisions of Article L. 225-129-6, of the Commercial Code, which requires that every three years the Extraordinary General Meeting must consider a draft resolution to make a capital increase under the conditions specified by Article L. 3332-18 and subsequent of the Labour Code, where the shares held by employees of the Company and its related companies, as disclosed in the Management Report, represent less than 3% of the share capital.

Under this delegation, we propose that you authorise the Management Board, under the conditions specified in Articles L. 3332-18 and subsequent of the Labour Code, to increase the share capital for the benefit of members of a group savings plan through the issue of cash-settled ordinary shares, and, if applicable, the allocation of free ordinary shares or other securities granting access to the share capital.

In accordance with the law, the shareholders' pre-emption right would be waived by the General Meeting.

The share capital increases that may be carried out under this delegation may not exceed a maximum of €500,000, with the limit being set independently from any other limit established in relation to share capital increases.

This delegation would remain in force for 26 months.

It is specified that pursuant to the provisions of Article L. 3332-19 of the Labour Code, the price of the shares to be issued may neither be higher or lower, by more than 20% (or 30% where the retention period provided for by the plan in application of Articles L. 3332-25 and L. 3332-26 of the Labour Code equates or exceeds ten years), than the average opening price of the last twenty trading days preceding the Management Board's decision to carry out the corresponding share capital increase or issue of shares.

The Management Board would have all powers, within the above limitations, to set the terms and conditions of the issue or issues, take note of the resulting share capital increases, amend the bylaws accordingly, offset, on its own initiative, the costs associated with the capital increases against the relevant premium and deduct from this premium the amounts necessary to raise, after each capital increase, the legal reserve up to one tenth of the new share capital, and generally do whatever is required.

As the Management Board does not wish to avail of delegations with a dilutive effect, it is proposed you reject this resolution.

Information on terms of payment
(Article L. 441-6-1 of the Commercial Code)

At 31 December 2011, as at 31 December 2010, there are no liabilities due but unpaid to Somfy SA suppliers.

Trade receivables for Somfy SA specific activity represent payment terms generally less than forty-five days from the end of the month.

Information on risks
(Article L. 225-100 of the Commercial Code)

Somfy Group uses hedging instruments provided by its usual banking partners to hedge its exposure to interest rate and foreign exchange risks.

These risks result from:
- operational activities: trading (intragroup foreign currency denominated sales, invoicing of finished products distributed by trading subsidiaries outside the Euro zone and foreign-currency denominated purchases);
- financing (interest rate hedge on Somfy Participations' LBO debts and on medium-term borrowings entered into to finance Somfy SA's working capital requirements).

The instruments used are primarily interest rate swaps and forward currency sales. The amounts hedged only relate to on-going or future transactions resulting from Somfy's normal business.

According to IFRS, all derivative financial instruments are measured at fair value. Fair value is either the market value for listed instruments, or a value provided by financial institutions in accordance with traditional criteria (over-the-counter market).

As part of the transposition of the Markets in the Financial Instruments Directive that came into force on 1 November 2007, Somfy SA and its French subsidiaries opted for the "individual clients" category.

Interest rate risk

Somfy Participations' LBO package liabilities are hedged, in accordance with contract terms and conditions, by standard interest rate swaps (swap of variable rates for fixed rates) hedging against an increase of more than 150 basis points in EURIBOR 3 months, compared to the available rate. At 31 December 2011, 89.5% of LBO liabilities were hedged.

Each LBO liability is subject to compliance with covenants set by contract at the time the finance packages are negotiated.

At 31 December 2011, covenants may be summarised as follows:
- covenants were complied with by Zurflüh-Feller;
- one covenant was not complied with by Cotherm but a waiver was obtained before 31 December 2011;
- covenants were not complied with by Sirem, as a result its debt was reclassified as current financial liabilities.

At 31 December 2011, Somfy SA availed of 4 to 5-year credit lines totalling €111.0 million from 6 banking institutions, of which €31.2 million had been drawn upon. In that respect, interest rate hedges were implemented for a nominal non-amortisable amount of €30 million.

The granting of facilities was subject to commitments given by Somfy SA to those banks that it would comply with two financial ratios, relating to:
- the Group' financial position (net debt to equity) and;
- its coverage ratio (net debt to cash flow).

These two types of covenants were complied with at the 31 December 2011 year-end.

The Group applies hedge accounting to interest rate hedging instruments. Movements in the fair value of the effective portion are therefore taken to equity, with the ineffective portion being taken to net financial income/(expenses).

The impact on equity at 31 December 2011 was €215 thousand (€142 thousand net of deferred tax).

Ineffective hedgings were a negative €829 thousand at 31 December 2011, compared to a negative €1,255 thousand at 31 December 2010, resulting on a positive impact of €425 thousand on the income statement.

Foreign exchange risk

Somfy's exposure to foreign exchange risk is primarily related to a portion of intragroup sales of manufactured products originating from France (these sales being denominated in local currencies) and purchases denominated in local currencies.

Over 70% of the Group's consolidated sales is realised in the Euro zone.

Derivative financial instruments are primarily comprised of forward exchange contracts.

The Group applies hedge accounting to foreign currency hedgings since 1 July 2010.

The effective portion of fair value movements is therefore taken to equity and the ineffective portion is recognised in financial income/(expenses).

At 31 December 2011, the impact of effective hedgings on equity was a positive €5 thousand (€22 thousand net of deferred tax) and a negative €472 thousand on the income statement (transferred from equity).

Ineffective hedgings had a negative value of €11 thousand at 31 December 2011, compared to a negative €429 thousand at 31 December 2010, resulting in a positive impact on net profit of €418 thousand.

Raw material risk

Somfy hedges against the volatility in the price of raw materials that are significantly used in the manufacturing of its motors by placing firm orders with its suppliers, depending on market conditions.

Share risks

The Group is exposed to equity risk on treasury shares, with their loss in value, due to the fall in the markets, resulting in the recognition of a tax-deductible provision of €11.4 million. The corresponding €4.1 million deferred tax was posted to reserves.

Legal risks

Somfy Group's operations are not subject to specific regulations. Its business does not require a specific legal or regulatory authorisation with the exception of the compulsory listing on the Register of Companies and stock exchange regulations.

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 position.

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 covers the main risks with the following insurance policies:
- "Property damage", covering buildings and their contents (equipment, goods, IT equipment) up to the maximum amount of damage likely to be incurred;
- "Resulting loss of profit".
  Risks insured by these two policies include, fire, explosions, lightning, smoke, emissions, steam, impacts from airborne objects, electrical 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 an insured entity's liability following physical injury, property damage or moral prejudice caused to a third party during or in relation to its operations";
- "Directors' civil liability";
- "Transported goods";
- In addition, "Credit" insurance contracts, both in France and internationally, enable the Group to limit the impact of customer bad debts. Approximately 60% 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 hyperinflationary economies.

The Arab spring in Tunisia and in Egypt had a limited impact on Group sales.

Information on non-deductible charges (Articles 39-4 and 223 IV of the General Tax Code)

The financial statements at 31 December 2011 do not include any non-allowable charges with regard to the income tax base, as defined by Articles 39-4 and 223 IV of the General Tax Code.

Allocation of net profit

The Management Board proposes to allocate the net profit of €128,981,692.40 for the year ended 31 December 2011, increased by retained earnings of €1,185,730 to a total of €130,167,422.40 as follows:

– allocation to shareholders of a net dividend of €5.20 per share, being €5.20 × 7,836,800 shares	€40,751,360.00
– transfer to optional reserve	€89,416,062.40
	€130,167,422.40

A net dividend of €5.20 will be distributed for each share with a par value of €1, and this carries the right to a tax abatement per share granted to individuals subject to income tax in France, in accordance with Article 158-3-2° of the General Tax Code.

Shares held by the Company on the dividend payment date are not entitled to dividends, with the corresponding amounts of unpaid dividends being transferred to retained earnings.

The dividend will be payable on 5 June 2012; the shares must be held on 31 May 2012 (ex date) to benefit from the dividend.

In accordance with legal provisions, it should be noted that the following dividends were paid during the last three financial years:

	Financial year ending 31/12/2008	Financial year ending 31/12/2009	Financial year ending 31/12/2010
Number of shares eligible*	7,582,258	7,588,556	7,608,775
Par value	€1	€1	€1
Total distributed dividends	€36,394,838.40	€36,425,068.80	€39,565,630.00
Dividends per share	€4.80	€4.80	€5.20

** Number of shares comprising the share capital, excluding treasury shares held by Somfy SA with no right to dividend.*

Dividends are fully eligible to the abatement provided for by Article 158-3-2° of the General Tax Code.

Regulated agreements

Please note that no new agreement of the same nature as those referred to in Articles L. 225-86 and subsequent of the Commercial Code was concluded during the 2011 financial year.

Stock market developments and performance

During the 2011 financial year, the Somfy share price decreased by 11.69% due to difficult market conditions (the SBF120 and CAC All-Tradable indices declined by 16.21% and 16.29% over the same period). At 31 December 2010, the last trading day before the close of the previous financial year, the share price was €172.01, compared to €151.90 at 30 December 2011.

Based on the share price at 31 December 2011 and taking into account a net dividend of €5.20, the Somfy share yielded 3.42%.

The market for the share recorded a monthly trading volume of 22,480 and 2,694 per month, with a monthly average of 7,304 shares, compared to 4,540 shares the previous year.

Your Management Board asks you to approve the resolutions submitted to your vote, with the exception of the tenth resolution.

The Management Board

Chairman's report on internal control and corporate governance

Pursuant to Article L. 225-68 of the Commercial Code, we remind you of Somfy SA's corporate governance principles and inform you of on-going projects relating to internal control and risk management.

The Company's Financial and Legal departments and its Internal Audit department are the major contributors to the preparation of this report under the authority of the Chairman of the Supervisory Board.

This report was submitted to the Supervisory Board for its approval on 27 February 2012 and passed on to the Statutory Auditors.

I – Corporate governance

Corporate governance code

Somfy SA now refers to the Middlenext corporate governance code for listed companies issued in December 2009 (the Middlenext Code hereafter), available at:
www.code-middlenext.com.

The Supervisory Board meeting of 27 February 2012 decided to adopt the Middlenext Code in preference to the AFEP/MEDEF corporate governance code for listed companies, as it considered that its recommendations and guidelines were better suited to the Company, particularly in the light of its share ownership structure, with family shareholders owning more than 50% of the share capital and voting rights.

This change of governance code will be the subject of a future press release.

The Supervisory Board took note of items set out under the "Guidelines" heading of the Middlenext Code.

Composition of corporate governance bodies

Somfy is a French limited company (société anonyme), whose organisation is based on the "Management Board and Supervisory Board" formula, which entrusts company management to the former under supervision of the latter.

1. Composition of the Management Board

Management Board members are appointed by the Supervisory Board in accordance with legal provisions.

At 31 December 2011, Paul Georges DESPATURE chaired the Management Board.

Wilfrid LE NAOUR - Chief Executive Officer of Somfy Participations and Jean-Philippe DEMAËL, Chief Executive Officer of Somfy Activities, were members of the Management Board.

2. Composition of the Supervisory Board

The Supervisory Board of Somfy SA is made up of seven members:

Name	Position	Date appointed	Date term expires
Jean-Bernard GUILLEBERT*	Chairman	15 May 2007	2013 General Meeting
Jean DESPATURE	Vice-Chairman	15 May 2007	2013 General Meeting
Victor DESPATURE	Member	15 May 2007	2013 General Meeting
Xavier LEURENT	Member	15 May 2007	2013 General Meeting
Anthony STAHL	Member	15 May 2007	2013 General Meeting
Martine CHARBONNIER*	Member	18 May 2011	2017 General Meeting
Valérie PILCER*	Member	18 May 2011	2017 General Meeting

** Independent member according to the definition of independence adopted by the Company.*

The list of other appointments held outside Somfy SA is included in the Management Board report in accordance with disclosures required by Article L. 225-102-1 of the Commercial Code.

Male and female representation on the Board

The Board is made up of seven members, who, since 18 May 2011, include two women and therefore complies with the 20% minimum female representation that will be in force by the end of the first Ordinary General Meeting to be held in 2014. The Company obviously intends to continue to comply with subsequent application requirements introduced by the law of 17 January 2011 relating to the equal representation of men and women in governance bodies.

Conditions of preparation and organisation of the work of the Supervisory Board

The Supervisory Board performs its control mission in accordance with the conditions prescribed by law.

A Chairman and Vice-Chairman are elected from among its members, who may call meetings of the Supervisory Board by any means, including verbally.

1. Independence of the members of the Supervisory Board

A group of family shareholders holds the majority stake in Somfy SA.

As provided by the Middlenext framework, the Board has assessed the independence of its members.

Based on the independence criteria suggested by the Middlenext framework, the Supervisory Board notes that, to date, an independent member of the Board is a member who has no relationship of any nature whatsoever with Somfy SA or its management, or with a company consolidated by the Somfy Group, that may affect his/her freedom of judgement, and who meets the following criteria:

- has not been an employee and has not held a general management position within Somfy SA or any other Group company during the last three years;
- is not a significant customer, supplier or banker of Somfy SA or its Group, or for which Somfy SA or its Group represents a significant share of his/her business activity;
- is not a significant shareholder of Somfy SA;
- is not closely related to a Director or major shareholder;
- has not been a statutory auditor of Somfy SA over the past three years.

In light of these criteria, the Supervisory Board considered that Martine CHARBONNIER, Valérie PILCER and Jean-Bernard GUILLEBERT qualified as independent members.

Martine CHARBONNIER and Valérie PILCER provide Somfy Group with their experience in the fields of finance and risk monitoring. Jean-Bernard GUILLEBERT continues to provide the Somfy Group with all his experience in the fields of finance, strategy and risk monitoring.

The other members of the Supervisory Board are members of the family and therefore have a family code of ethics, which reinforces the shared respect for the shareholders' agreement. Moreover, their own individual substantial investment naturally motivates their long-term commitment to the Group, their aim being the creation of value on a sustainable basis for all the stakeholders of Somfy SA.

2. Operation of the Supervisory Board

Company bylaws define and specify the terms and conditions governing the composition of the Supervisory Board. The main provisions are the following:

Supervisory Board members, the number of which can never fall below the legal threshold nor exceed the legal limit, are appointed in accordance with the conditions specified by law for a term of office of six years.

All outgoing Supervisory Board members may be re-appointed.

The term of office of a Supervisory Board member ceases at the end of the Shareholders' Ordinary General Meeting called to approve the financial statements for the financial year just ended and held in the year that the term of office of the said member of the Supervisory Board expires.

No one may be appointed as a member of the Supervisory Board, if, being over seventy five years old, his/her appointment leads to over a third of the members of the Supervisory Board being over that age.

The Supervisory Board meets at least once quarterly on an agenda drafted by its Chairman. It met five times during 2011 and the rate of attendance was 100%.

At each ordinary meeting, the Management Board presents a report on the operations and results of the Group and its major subsidiaries for the quarter just ended. A detailed income statement with commentary is presented by the Management Board for every half-year and annual closing. In addition, the Supervisory Board receives a monthly sales report.

Within 90 days following the end of each financial year, parent company and consolidated financial statements approved by the Management Board are sent to the Supervisory Board for review. For the approval of the half-year financial statements, only the consolidated financial statements are prepared and submitted within this deadline. The Board then presents its observations on the Report of the Management Board as well as on the financial statements to the General Meeting.

The Chairman of the Supervisory Board also benefits from monthly meetings with the Chairman of the Management Board on the current operations of the Group.

The Supervisory Board may request the Management Board and Management for any information or analysis it deems necessary, or for a presentation on any specific subject.

Pursuant to the law, the Supervisory Board provides guidelines to the Management Board so that commitments to deposits, sureties or guarantees are validly provided by the Company. The authorisation of the Board is required in every case where a commitment does not meet these conditions.

The rules of operation of the Board are specified in the Board's internal regulations, which are available on the Company's website and will soon be updated following the change of Corporate Governance Code to which the Company refers.

The Board's internal regulations also include provisions aimed at preventing and managing conflicts of interest.

In this respect, internal regulations specify that in a situation in which there appears to be a conflict of interest between corporate and direct or indirect personal interests, or the interests of the shareholder or group of shareholders he/she represents, or which may be perceived as such, the Board member concerned should:
- inform the Board of this conflict of interest as soon as he/she is aware of it;
- draw any conclusion in relation to exercising his/her term of office.

Depending on the case, he/she therefore should:
- abstain from voting on the relevant deliberation;
- refrain from attending Board meetings during the period he/she is in a position of conflict of interest;
- resign from his/her duties as a member of the Board.

The Board member may be held liable for failing to comply with these abstention and non-attendance rules.

Furthermore, the Chairman of the Board is not obliged to disclose information or documentation relating to the matter in dispute to member(s) whom he has strong grounds to suspect that they are in a position of conflict of interest within the meaning of this paragraph, and will inform the Supervisory Board of this act of non-disclosure.

The principal subjects discussed at meetings of the Supervisory Board during the year were the following:
- adoption of a Code of Ethics;
- adoption of Audit Committee Internal Regulations;
- revision of Supervisory Board Internal Regulations;
- annual update on the assessment of the Board's work;
- appointment of Martine CHARBONNIER and Valérie PILCER as members of the Audit Committee.

For Somfy Activities:
- budget and key development areas;
- quarterly highlights by brand and operation;
- update on risk mapping, including a detailed presentation of three risk factors;
- presentation of achievements following the acquisition of a majority shareholding in Dooya (China);
- follow-up on the disposal of Spirel and presentation of planned disposals;
- presentation of the "Let's 2015" strategy and corporate project.

For Somfy Participations:
- quarterly highlights by shareholding;
- disposal of shares held in the capital of agta record AG and securities held in the capital of Société Financière de Performance (Babeau Seguin);
- acquisition of a minority shareholding in Pellenc;
- presentation of LBO technics and a benchmark for private equity players;
- presentation of the strategy.

3. Committees established by the Supervisory Board

Audit Committee

With regard to the Audit Committee, the Company applies the recommendations of the AMF's working group chaired by Mr Poupart Lafarge at the Audit Committee meeting of 22 July 2010. The recommendations in respect of the chairmanship of the Committee, the competence of its members and definitions of their independence, the evaluation and reporting on the work undertaken, as well as the recommendations relating to the execution of its legal responsibilities, have been observed.

The follow-up on the effectiveness of the internal control systems has also been carried out.

In 2011, as part of its assignment relating to risks, the Audit Committee monitored risks and updated the risk mapping at an extraordinary meeting of the Audit Committee, during which the Internal Audit Officer presented the relevant information. Three major risks were also selected for a detailed presentation of action plans to the members of the Supervisory Board by the persons in charge of operations for the processes concerned.

The Audit Committee currently comprises four members: Jean-Bernard GUILLEBERT who chairs the Committee, Victor DESPATURE, Martine CHARBONNIER and Valérie PILCER. Jean-Bernard GUILLEBERT, Martine CHARBONNIER and Valérie PILCER are independent in accordance with the above-mentioned criteria.

Jean-Bernard GUILLEBERT has the necessary financial and accounting expertise due to his academic education (HEC) and his professional career, during which, specifically, he served as Investment Banker and Head of Capital Markets for a major international bank.

Victor DESPATURE also has accounting expertise, having practised as a Chartered Accountant and an auditor from 1983 to 2004. Since then, he served as the General Manager of a major family-owned group from 2002 to 2006 and as the Chairman of the Legal Committee from 2002 to 2008. He has been a member of the Remuneration Committee since 2002. He has also been managing a medium-sized company in the aeronautic sub-contracting sector since 2002.

Martine CHARBONNIER is a graduate of ESCAE Dijon and SFAF. She started her career with the FIDAL practice and then worked for 25 years with SBF-Bourse de Paris, which subsequently became Nyse Euronext, her last position being Executive Vice President in charge of "European listing". Her expertise extends to the financial field, with experience in stock markets and in-depth knowledge of listed companies.

Valérie PILCER, a graduate of the Paris Ecole des Mines, was entrusted with various operational management duties by Société Générale, in both the international financial market division and in the Group Risk Management department. She then joined the Oddo Group as Chief Risk Officer and is currently Chief Executive Officer of independent consulting company PILCER & Associés. Her expertise also extends to the financial field, with substantial experience in risk management.

The Committee's mission is to monitor the preparation of the consolidated and parent company accounts, and the efficiency of internal and risk management systems. It is also informed of due diligence carried out by the Statutory Auditors in their legal assignment to audit the parent company and consolidated financial statements, ensures the latter's' independence and is involved in their selection.

The Audit Committee supervises the work of Internal Audit and approves the annual audit plan. It proposes, directs and ensures the follow-up of Internal Audit assignments.

Since its creation, it has met at each half-year and year-end balance sheet date.

During the 2011 financial year, the Audit Committee met on five occasions, and the rate of attendance was 100%.

During the various Audit Committee meetings, the Chief Financial Officer presented the financial position of the Group, the accounting options adopted, the risk exposure and significant off-balance sheet commitments. Internal Audit presented the results of audits carried out and the audit plan and the procedures to update the risk mapping.

Pursuant to Article L. 823-16 of the Commercial Code, the Statutory Auditors presented their general work programme as well as the various tests they carried out; the changes that they felt should be made to the financial statements or other accounting documents before their approval, while making all relevant observations on the valuation methods used in their preparation; possible irregularities and errors discovered and the conclusions leading to the observations and corrections above to the results of the period compared to those of the previous period.

In addition, the Statutory Auditors communicate every year to the Audit Committee a declaration of independence and an update of the information described in Article L. 820-3 detailing the services carried out by the members of the network to which the Statutory Auditors are affiliated, as well as the services carried out in respect of due diligence directly related to the assignment.

With regard to the work methods: pursuant to the recommendations of the AMF, a minimum time period for the examination of the financial statements was complied with to enable the Audit Committee to use the possibility of calling on external experts, as well as interviewing the Chief Financial Officer, the Statutory Auditors and the Internal Audit Officer.

Minutes of each Audit Committee meeting are provided to the Supervisory Board so that it is aware of matters discussed.

Remuneration Committee

The Remuneration Committee currently comprises 2 members: Victor DESPATURE and Jean-Bernard GUILLEBERT (independent member). Its mission is to submit proposals to the Supervisory Board, in particular in respect of the amount and calculation of Director and senior management remuneration and to provide advice on the amount of attendance fees.

At least once a year, the Committee calls on a firm specialised in the subject of senior executive remuneration, which provides advice on the practices that are generally applied in companies of a comparable size.

During the year just ended it met four times. The rate of attendance by the members was 87.5%.

The members of the Remuneration Committee report verbally to the Board on their work and on the opinions they have issued, thus helping the Board to prepare and make decisions in terms of Directors' remuneration.

Remuneration and benefits of senior executives

1. Principles and rules drawn up by the Supervisory Board to determine the remuneration and all benefits granted to senior executives

Directors' remuneration, which is detailed in the Management Board report, is proposed by the Remuneration Committee. It is revised each year on the basis of expert advice and is in line with the market.

A. Remuneration of members of the Supervisory Board

The General Meeting sets the overall amount of attendance fees.

The Supervisory Board members share the said fees pro rata to their attendance at meetings of the Board and Audit and Remuneration Committees.

The Chairman of the Supervisory Board received a specific fixed remuneration that was set and revised by the Board meeting of 24 February 2011.

B. Remuneration of senior executives

At 31 December 2011, the remuneration of the members of the Management Board comprised a fixed part and a variable part. These amounts are reviewed annually.

The variable part is based on the achievement of objectives that take account of quantitative criteria specific to the scope of operations covered:

For the Chief Executive Officer of Somfy Activities, this includes profit growth, measured by the average growth in COR (Current Operating Result) over two years; the profitability of capital used, measured by the average level of ROCE (Return On Capital Employed) over two years; and lastly business development, measured by sales growth and by its differential between the sales growth of a range of reference points comprised of nine companies considered to be comparable.

For the Chief Executive Officer of Somfy Participations, this includes growth in the net asset value of investments; the coefficient of achievement of annual budgets; and lastly, the improvement in the financial position of the Somfy Participations division.

For the Chairman of the Management Board, this includes the performance of both divisions, Somfy Activities and Somfy Participations, weighted by the contribution of each division to the Group's net profit. An additional specific criterion measures the level of Group debt.

This process is accompanied by qualitative criteria. For confidentiality reasons the level of achievement of quantitative criteria, as well as the qualitative criteria, which are predetermined, are not publicly disclosed.

The variable remuneration based upon quantitative criteria may not exceed 120% of the fixed remuneration.

Other benefits, approved by the Supervisory Board, comprise:

- the potential allocation of stock options or performance-based shares, which is the subject of a special report as prescribed by Articles L. 225-184 and L 225-197-4 of the Commercial Code. During the year just ended, no stock option plans were set up. A performance-based share plan was introduced in May 2011 for the benefit of certain Group executives. The Directors are not beneficiaries of this plan;
- a so-called "Article 39" supplementary retirement scheme for members of the Management Board, senior managers and senior executives of the Group. This scheme was set up by CMC SARL.
  By virtue of their employment contract with this company prior to their appointment to the Management Board, Jean-Philippe DEMAËL and Wilfrid LE NAOUR, members of the Management Board, are potential beneficiaries of this retirement scheme;
- benefits in kind consisting of the use of a company car, as well as profit sharing, employee shareholding and contributions to the Group savings scheme in force within CMC SARL. It is also by virtue of their employment contracts with this company that Jean-Philippe DEMAËL and Wilfrid LE NAOUR, members of the Management Board, are beneficiaries of these benefits. Their value is separately disclosed in the Management Board report, just as the remuneration mentioned in this report is disclosed in its entirety and includes the salaries paid under employment contracts.

The situation of the Chairman of the Management Board is different as he does not benefit from either stock options or performance-based shares. He is only remunerated in his capacity as Board member, without any other particular benefits.

2. Condition of shareholders' participation in General Meetings

The bylaws allow the following arrangements:

- all shareholders have a right to attend General Meetings and participate in their deliberations, in a personal capacity or by proxy;
- they may vote remotely. If the Management Board or Supervisory Board provide for this at the time of the notice of the meeting, all shareholders may participate in General Meetings by video-conference or by any communication means that enable their identification according to the terms and conditions set out by the law and regulations and that are specified in the notice of the meeting: the shareholder will be, in this case, deemed to be present for calculation of quorum and majority;
- the right to participate in Meetings is subject to the proof by shareholders of their identity and the registration of the securities in their names (or the name of the intermediary recorded on their behalf if they reside abroad) at midnight Paris time on the third working day preceding the meeting, either in a nominative account or in the records of bearer shares held by an authorised intermediary, and this in one of the places mentioned in the notice of the meeting. As for bearer shares, the authorised intermediary must provide a certificate of shareholding;
- the attendance of the shareholder cancels all proxy or remote voting.

3. Elements liable to have an impact in the event of a public offering

The disclosures referred to by Article L. 225-100-3 of the Commercial Code relating to elements liable to have an impact in the event of a public offering are published in the paragraph entitled "Elements liable to have an impact in the event of a public offering" of the Management Report prepared by the Management Board in respect of the financial year ended 31 December 2011.

II – Internal control

Internal control and risk management procedures implemented by the Company

1. Company's objectives in respect of internal control

The internal control function, inspired in practical terms by the AMF framework available at www.amf-france.org, has the following purposes:

- to ensure that management action and the completion of transactions as well as the behaviour of personnel is in line with the framework defined by the Management Board under the control of the Supervisory Board in conditions defined by the bylaws, applicable laws and regulations, and by the internal values, standards and rules of the Company;
- to verify that the accounting, financial and management information reported to the Management Board and Supervisory Board or to Committees formed within them, fairly reflects the operations and position of the Company by checking their reliability, traceability and availability;
- to prevent and control the risks arising from the business and the risk of errors or fraud, particularly in the accounting and financial areas;
- to secure the property, plant and equipment and intangible assets.

Thus, it strives to ensure:
a) compliance with laws and regulations;
b) the application of instructions and directions set by General Management or the Management Board;
c) the proper operation of the internal processes of the Company, notably those concerning the safeguarding of its assets;
d) the reliability of financial information.

It cannot provide an absolute guarantee against any human error.

As far as Somfy Participations is concerned, it should be noted that the companies in which Somfy SA has invested as part of LBO projects and where it holds a majority shareholding are Cotherm Participations SA, NMP SAS (Zurflüh-Feller) and Financière Nouveau Monde SA (Sirem).

As concerns financial investments, the attention given by Somfy SA to these companies relates particularly to their financial statements, in particular compliance with their banking covenants as well as a follow-up of their strategies.

In the event that areas of progress are identified in other domains by the Management of the company or Somfy SA, the latter proposes to the company concerned the resources or contacts to contribute to its development.

In this respect, Internal Audit may form part of the resources provided.

As a result of the above, the developments that follow relate virtually exclusively to Somfy Activities.

2. Internal control structures

Supervisory Board

Under French law, this is the body that controls the management of the Company carried out by the Management Board.

Internal Audit

Under the supervision of the Audit Committee, the Internal Audit department reports to the Chairman of the Management Board, and by delegation to the Group's Chief Financial Officer.

The department, comprising the Internal Audit Officer and two auditors, carries out audits that evaluate the correct application of accounting principles, the organisation and the systems put in place within the entity subject to audit.

An annual audit plan, prepared together with the Management of Somfy Group is approved by the Management Board and then validated by the Audit Committee. This audit plan is in particular based on an assessment of the level of risk of each entity and the significance of areas covered by the audit. The assignments included in the audit plan provide an independent appreciation of the efficiency of the system of internal control in each entity.

Where appropriate, the principal weaknesses identified in internal control are reported and recommendations are issued. A follow-up of the implementation of recommendations is made each year. A report is presented to the Management Board and to the Audit Committee.

In addition, urgent assignments that were not provided for in the audit plan may be carried out during the year on the request of the Management Board or the Audit Committee.

Twice a year, the Internal Audit Officer presents a report on the activities of the department to the Management Board and to the Audit Committee.

3. Key elements of the internal control process

The processes and organisation described hereafter were implemented by the Management Board, as internal control is within its jurisdiction.

Description of internal control procedures in relation to the preparation of accounting and financial information

Strategic, budgetary and reporting processes

The preparation of the budget is part of an annual strategic process involving all the Activities, Business Areas and Business Units as well as the divisions, which define their essential objectives, in line with the strategic guidelines set by General Management.

The overall budget is prepared as part of a repetitive process involving all Group players. It is the result of the consolidation of local budgets.

After approval by the General Management of the Group, every manager becomes responsible for meeting his/her own budget.

The measurement of the achievement of objectives set in the budgets is carried out through a system of matrix reporting on a monthly and quarterly basis, which enables results to be produced on a number of bases (Business Area, Business Unit, and Activity). It comprises the standard financial data: operating accounts and balance sheet indicators, and non-financial performance indicators.

Reporting is completed by strategic reports, and quarterly updates of forecast sales and profit for the current year. These measurements enable a follow-up of the achievement of objectives and provide corrective actions on a matrix basis and at all levels of responsibility (consolidation, Business Areas, Business Units, Activities, Legal Companies, Departments and Services).

In addition, three three-year plans, in line with Group strategy and revised annually, are overseen by Management. This is:

- a product master plan that relates to the development of the product offering;
- an industrial and logistics master plan for production facilities;
- a master plan for information systems.

Preparation of financial statements

The Somfy Group has defined a unique and common system for the recording of accounting and financial information.

It results in the definition and application to all subsidiaries of a Group chart of accounts, as well as the definition and application of the main management procedures (inventories, non-current assets, trade receivables, etc.), which are formalised in the Group Procedure Manual relayed through and updated on the Group's 'Teepee' intranet.

Furthermore, the Group pursues its policy of rolling out common software and a joint ERP.

The proper application of the chart of accounts, procedures and reporting reliability is monitored by at least annual visits to subsidiaries, planned by head office Accounting and Controlling departments, within the context of year-end and half-year closing. It is also verified during the budget preparation and monthly reporting processes.

The Group team responsible for the development and control over financial statements comprises the Group Financial Department and Accounting, Controlling and Tax Department, represented by their managers and comprising:

- the consolidation team;
- the central financial control team.

This team relies on management controllers, based in each Business Area, reporting to the Group in its nine geographical areas.

In addition, each of the three Activities benefits from a dedicated controller.

The Group endeavours to lead this network via international meetings and on-going training of the accountants and management controllers.

Particular care is taken with risk analysis, through a review of asset provisions and provisions for liabilities and charges, as well as off-balance sheet commitments.

At each year-end, inventories are verified either through a complete physical stock-take or by a rolling physical stock-taking procedure.

Trade receivables are the subject of credit risk analyses with respect to the measurement of provisions. In addition, the Company hedges this risk by entering into customer credit insurance contracts, both in France and abroad.

Intragroup purchases, sales and balance sheet items are confirmed monthly.

Inventory amounts originating from the Group are determined in all entities in order to eliminate internal profit margins on inventories.

A pre-closing meeting is organised each half-year with the Legal Department to identify all liabilities and possible or stated litigation and to calculate, with reference to the progress of cases, corresponding provisions for liabilities and charges.

The review of various contracts, deposits, sureties and guarantees also has the purpose of identifying off-balance sheet commitments.

The consolidation packages, including: balance sheet, income statement, cash flow tables and related data, are then sent to the Consolidation department according to a predefined planning schedule.

Financial statements control

The Consolidation department, after verifying the completeness of financial information, the proper application of closing procedures and restatements, performing intragroup account reconciliations and verifying the net equity justification, performs financial statement consolidation using dedicated software.

The consolidated financial statements are prepared in accordance with IFRS. In addition, accounting options selected are presented to and approved by the Audit Committee.

Financial communication

Following their approval by the Supervisory Board, the half-year and full-year financial statements are presented to the financial community under the auspices of the SFAF (French financial analyst society) and published in a report posted on the financial issuer's website (www.somfyfinance.com) as well as on a regulatory business publishing network (www.lesechos-comfi.fr).

The other disclosures required by the Transparency Directive, in particular quarterly information and reports on internal control and corporate governance are also posted on these two websites. Relevant information relating to the Company's business activities is presented to the Audit Committee.

IT systems

The BaaN integrated management package is now installed at most distribution subsidiaries, excluding Asia, where ERP Accpac has been rolled out in all subsidiaries.

For the companies that have an ERP (BaaN or Accpac) installed, standard parameters are included (comprising a chart of accounts, analytical follow-up and procedures).

Completion of the budget, monthly reporting, margin analysis by product family and legal consolidation are all carried out on the same platform (Hyperion), which improves the uniformity and facilitates the analysis of information.

In 2011, the migration from the GPAO Tolas tool to the BaaN Manufacturing module was completed with the implementation of BaaN on the WAY site in Italy. All of the Somfy Group's main production sites (Cluses, Gray, Zriba, Way) will now function with the same information system integrated with logistics and finance.

Furthermore, the CrossRoads system, aiming at setting up a unique data management system for the development of products throughout their life cycle was rolled out in 2011 at the Group's various development centres. It will contribute to the efficiency of the development processes and to the improvement of product quality.

The 2010 implementation of a unique Identity and Access Rights Management tool further improved the already strong level of control of IT security.

Lastly, a major investment was made in 2011 to support our online strategy with the change and improvement of the technical platform hosting our websites, in order to guarantee a better service level and to accommodate a substantial increase in visitors.

Internal control monitoring

An Internal Control Department is in place and has the following objectives:

- the maintenance of reliable internal control within the Group: ensuring statutory financial and reporting data is secure and reliable (risk identification, definition of control procedures), validating the Group's accounting and management methods, at the same time as ensuring these can be accommodated by IT systems;
- Internal Audit assignment follow-up: review of Internal Audit reports, identification of action plans to be implemented, action plan follow-ups;
- the organisation of a plan to make half-year closings more secure: including a subsidiary visits schedule, identification of matters requiring attention, review of visit reports and action plan follow-up.

The monitoring of the internal control ensuring a better knowledge, communication and follow-up of risks and associated controls, is initiated through the following dedicated tools:

- a self-assessment tool for subsidiaries through which monitoring programmes are carried out on an annual or biennial basis;
- a dedicated software tool dedicated to the follow-up of the recommendations, which more specifically allows Internal Audit to centralise the recommendations resulting from their audits, the entities audited to take hold of their corresponding action plans, and the Group's Internal Control Department to follow their implementation.

The use of all these resources is closely monitored by the Audit Committee, which is regularly informed of the progress achieved and the results obtained.

In 2011, biannual reporting was established for the benefit of the Executive Committee of Somfy Activities and the managers of all subsidiaries in relation to the progress of action plans and the resolution of weaknesses identified.

Certain improvements are directly addressed by entities on a local level, while others are looked into at head office by the Internal Control Department and/or in collaboration with the Group's IT Department.

The Internal Control Department also contributes to various projects, such as for instance the implementation of a system devoted to managing and monitoring the order commitments of Somfy SAS in 2011.

Lastly, the Internal Control Department is also responsible for the central monitoring and update of the risk mapping, in collaboration with the Internal Audit Department more specifically in relation to the methodology.

Other corporate functions are also involved, depending on the scope of the risks in question (crisis management, fire risk, treasury, hygiene and safety plans, etc.).

Mapping of risks

Group management fully believes that risk management and control contributes to:
- creating and preserving the value, assets and reputation of the Company;
- ensuring the Company's decision-making and processes to facilitate the achievement of targets;
- encouraging consistency of actions with the Company's values;
- motivating Company staff by offering a common approach to major risks.

An initial mapping of Group risks was conducted in 2005 and is regularly updated. A link exists between the risks included in this analysis and the Internal Audit plan, where relevant.

Strategic risks are included in the bi-annual process of the Group's strategic review, and operational risks are followed up by Group executives to ensure the existence of action plans. An officer has been appointed for each of these operational risks.

The results of risk mapping carried out in 2010 were updated at the end of 2011, in particular through interviews conducted with the majority of Group executives. The action plans implemented or in progress enabled a reassessment of the positioning of part of these risks. A final presentation was submitted to the Executive Committee, as well as to the Management Board and the Audit Committee.

Treasury Committee / Group Cash Management

The Treasury Committee comprises:
- the Chief Financial Officer of Somfy Group;
- the Administrative and Financial Manager of Somfy Activities;
- the Head of Financing and Cash Management Transactions;
- the Financial Manager of holding companies;
- the Group Treasurer.

Amongst these members are the Chairman of the Management Board and the two Chief Executive Officers.

This Committee meets once a month to fulfil its role of observation, decision and implementation of the cash management policy.

Its two main objectives are:
- strategic: to define the overall policy in terms of Group Cash Management, financing, interest and exchange rate and deposit rate risk management. They also include the follow-up of Group subsidiaries' equity balance sheet items;
- operational: to guarantee the regular monitoring of Group Cash Management. These are detailed in a monthly trend chart.

Since 1 June 2010, the rules and procedures relating to Somfy Group's Cash Management have been formalised in the Cash Management Charter, which covers the following:
- ethics;
- liquidity/exchange rate/interest rate risk;
- deposit of excess cash;
- counterparty risk;
- governance.

This charter was subject to a quality review in September 2011. The findings were favourable.

In addition, since 1 January 2011, hedge accounting applies to foreign exchange transactions.

Lastly, as part of the final termination of the bank communication protocols ETEBAC 3 and 5, a new Cash Management tool was set up in the 3rd quarter of 2011. The bank communication protocols EBICS-T and EBICS-TS were selected.

Accreditations and quality procedures

The Somfy Group has been implementing an approach to Quality Management by following ISO 9001 processes since 1995.

Companies that are currently ISO 9001-certified by Lloyd Register Quality Assurance – LRQA, or by other local organisations, are Somfy SAS, Simu SAS, WAY (merger of Asa and Mingardi), Sitem, Harmonic, Somfy GmbH, Somfy BV and BFT Spa Schio.

These companies represent the vast majority of the operations directly managed by the Group.

All personnel of these companies are thus involved in this process, including the R&D service, as well as the purchasing, manufacturing, production, selling and logistics departments.

Internal quality audits are implemented following an annual quality audit plan, defined according to the Company's strategic direction and in a manner so as to review the risks inherent in operational processes. Corrective or preventive actions are managed within each operating or support department.

The list of operational and support processes falling within the scope of application of Quality Management, as well as their indicators, reference documents and monitoring committees are defined in the Company's quality manual.

Process control is implemented through compliance with the provisions specified in the various items of the quality framework (guidelines, procedures, departmental methodological guides, etc.) and the continuous improvement principle applied to each of them.

The Quality approach is a key area of the Group's strategy and the Management of the Company is committed to its rollout and monitoring.

Risk coverage / Insurance

The Group risk prevention and protection policy is determined by Corporate services, in partnership with its brokers and insurers. The vast majority of facilities is insured by Group policies with the objective of guaranteeing adequate coverage of risks at the best market conditions. These risks specifically include direct risks (fire, theft, etc.), loss of profit, general civil liability (including Directors' civil liability) and transported goods. Other facilities are covered by local insurance policies.

Projets completed and in progress

Supported by the Audit Committee and the Group's financial Department, in 2011 Internal Audit launched a project aimed at making this department work more professionally and made up of the following three mainstays:

- the use of a tool dedicated to monitoring recommendations and action plans (Enablon), which will in particular allow for the centralisation of audit assignments and all recommendations issued, ensure the direct involvement of individuals audited and the preparation of reports for Management;
- the use of the data analysis software ACL (comprehensive data analysis, large volumes, sampling techniques, statistics, detection of gaps, search for duplicates, specific analyses to detect fraud, etc.) in order to improve the productivity of Internal Audit (saving time on zero-added value tasks that can be automated, identification of matters/areas that need to be looked into further and complete focus of these, more comprehensive audit coverage);
- the implementation of an Internal Audit Department self-assessment, to standardise audit practices and reports, identify areas of improvement and to ensure compliance with professional standards (standard 1300 specifically).

All these steps will contribute to further increasing the added value of Internal Audit to the organisation and will be completed in 2012 by the addition of further elements (such as the detailed review and assessment of the internal control and risk management process), as part of a continuous improvement approach.

The Chairman of the Supervisory Board

Somfy SA financial statements for the last five years

€ thousands	2007	2008	2009	2010	2011
1. FINANCIAL POSITION AT BALANCE SHEET DATE					
a) Share capital	7,837	7,837	7,837	7,837	7,837
b) Number of shares issued	7,836,800	7,836,800	7,836,800	7,836,800	7,836,800
c) Number of bonds convertible into shares	–	–	–	–	–
2. OVERALL RESULT OF CURRENT OPERATIONS					
a) Sales excluding VAT	1,571	1,529	2,880	3,759	2,126
b) Profit before tax, amortisation, depreciation and provision charges	70,907	60,758	79,256	54,672	156,484
c) Income tax	2,998	9,485	3,904	306	3,706
d) Profit after tax, amortisation, depreciation and provision charges	72,275	56,778	83,681	54,642	128,982
e) Distributed profit	43,102	37,617	37,617	40,751	40,751
3. EARNINGS PER SHARE					
a) Earnings per share after tax, but before amortisation, depreciation and provision charges	9.43	8.96	10.61	7.02	20.44
b) Earnings per share after tax, amortisation, depreciation and provision charges	9.22	7.25	10.68	6.97	16.46
c) Dividend distributed per share	5.50	4.80	4.80	5.20	5.20
4. WORKFORCE					
a) Number of employees at end of year	5	5	7	10	8
b) Total payroll	224	276	303	428	547
c) Amount paid in relation to employee benefits (Social Security, charities, etc.)	67	81	77	129	186

Consolidated financial statements

Consolidated income statement

€ thousands	Notes	31/12/11	31/12/10
Sales	(3)	952,430	852,606
Other operating income	(4)	15,368	10,809
Cost of sales		- 346,897	- 277,941
Employee expenses		- 285,149	- 257,961
External expenses		- 172,835	- 152,113
EBITDA		162,917	175,400
Amortisation and depreciation charges	(11) (12)	- 37,781	- 35,809
Charges/reversals to current provisions		- 190	505
Gains and losses on disposal of current operating assets		- 284	- 1,462
CURRENT OPERATING RESULT		124,661	138,634
Other operating income and expenses	(5)	- 1,961	- 540
Impairment of goodwill	(10)	- 6,360	- 6,003
OPERATING RESULT		116,340	132,092
– Financial income from investments		*8,029*	*6,066*
– Financial expenses related to borrowings		*- 6,298*	*- 6,239*
Cost of net financial debt		1,731	- 173
Other financial income and expenses		68,707	4,925
NET FINANCIAL INCOME	(6)	70,438	4,752
PROFIT BEFORE TAX		186,778	136,844
Income tax	(7)	- 24,896	- 29,104
Share of profit of equity-accounted companies	(14)	- 456	- 11,585
NET PROFIT		161,427	96,155
Attributable to: Group share		160,613	95,439
Non-controlling interests		814	716
Basic earnings per share (€)	**(8)**	**21.47**	**12.55**
Diluted earnings per share (€)	**(8)**	**21.35**	**12.46**

Consolidated statement of comprehensive income

€ thousands	31/12/11	31/12/10
Net profit for the year	161,427	96,155
Movement in gains and losses on translation of foreign currency	6,444	5,698
Movement in fair value of available-for-sale assets	- 68,068	47,865
Movement in fair value of interest rate hedgings	215	- 75
Movement in fair value of foreign currency hedgings	5	- 1,073
Movement in actuarial gains and losses	- 2,519	- 1,500
Movement in tax on income and expenses recognised directly in equity	2,887	- 2,623
Other items of comprehensive income directly recognised in equity	**- 61,036**	**48,292**
Comprehensive income for the year (1)	**100,391**	**144,447**
Attributable to: Group share	99,866	143,734
Non-controlling interests (1)	525	713

(1) The difference in the net profit with the consolidated statement of changes in equity is due to the variation in the value of the put options granted to holders of non-controlling interests: €550 thousand at 31 December 2011 and €794 thousand at 31 December 2010.

Consolidated balance sheet - Assets

€ thousands	Notes	31/12/11 Net	31/12/10* Net
Non-current assets			
Goodwill	(10)	224,887	228,990
Intangible assets	(11)	72,614	74,043
Property, plant and equipment	(12)	214,810	204,132
Equity-accounted companies	(14)	115,008	48,625
Financial assets	(15)	217,399	205,071
Other receivables	(16)	9,690	807
Deferred tax assets	(7)	29,599	24,472
Employee benefits	(27)	34	57
Total non-current assets		**884,041**	**786,197**
Current assets			
Inventory	(17)	138,904	118,576
Trade receivables	(18)	144,616	142,123
Other receivables	(19)	20,855	15,795
Current tax assets	(7)	18,504	4,030
Financial assets	(15)	1,997	1,902
Cash and cash equivalents	(20)	71,845	86,993
Total current assets		**396,721**	**369,419**
Assets held for sale	(21)	0	109,848
TOTAL ASSETS		**1,280,762**	**1,265,464**

** Pursuant to IFRS 3, the acquisition price of Dooya had provisionally been allocated in the 2010 financial statements. Additional allocation work has been carried out within the one-year allocation timeframe, which led to restating the balance sheet at 31 December 2010 (see note 9 for details about this allocation).*

Consolidated balance sheet – Equity and liabilities

€ thousands	Notes	31/12/11	31/12/10*
Shareholders' equity			
Share capital		7,837	7,837
Share premium		1,866	1,866
Other reserves		670,905	702,519
Net profit for the year		160,613	95,439
Group share		**841,221**	**807,661**
Non-controlling interests		24	111
Total shareholders' equity		**841,245**	**807,772**
Non-current liabilities			
Non-current provisions	(22)	9,196	8,543
Other financial liabilities	(23)	76,972	104,542
Other liabilities	-	832	43
Employee benefits	(27)	17,998	14,632
Deferred tax liabilities	(7)	60,279	54,101
Derivative instruments	(26)	2,570	3,210
Total non-current liabilities		**167,846**	**185,071**
Current liabilities			
Current provisions	(22)	10,794	8,669
Other financial liabilities	(23)	84,104	86,345
Trade payables	-	94,792	89,907
Other liabilities	(28)	76,138	72,845
Tax liabilities	(7)	4,197	13,350
Derivative instruments	(26)	1,646	1,506
Total current liabilities		**271,671**	**272,621**
TOTAL LIABILITIES		**1,280,762**	**1,265,464**

** Pursuant to IFRS 3, the acquisition price of Dooya had provisionally been allocated in the 2010 financial statements. Additional allocation work has been carried out within the one-year allocation timeframe, which led to restating the balance sheet at 31 December 2010 (see note 9 for details about this allocation).*

Consolidated statement of changes in equity

€ thousands	Capital (1)	Share premium	Treasury shares	Gain/loss on available-for-sale assets	Actuarial differences	Interest rates hedges
AT 31 DECEMBER 2010	**7,837**	**1,866**	**– 39,303**	**67,938**	**– 2,920**	**– 1,119**
Income and expenses recorded during the year	–	–	–	– 68,068	– 2,519	215
Treasury share transactions	–	–	-23,321	–	–	–
Dividends	–	–	–	–	–	–
Other movements (2)	–	–	–	–	–	–
AT 31 DECEMBER 2011	**7,837**	**1,866**	**– 62,624**	**– 130**	**– 5,439**	**– 904**

(1) Share capital is comprised of 7,836,800 shares with a par value of €1. No changes occurred in 2011.
(2) Changes in consolidation scope, foreign exchange gains and losses on equity transactions.

€ thousands	Capital (1)	Share premium	Treasury shares	Gain/loss on available-for-sale assets	Actuarial differences	Interest rates hedges
AT 31 DECEMBER 2009	**7,837**	**1,866**	**– 40,875**	**20,073**	**– 1,099**	**– 1,044**
Income and expenses recorded during the year	–	–	–	47,865	– 1,500	– 75
Treasury share transactions	–	–	1,572	–	–	–
Dividends	–	–	–	–	–	–
Other movements (2)	–	–	–	–	– 321	–
AT 31 DECEMBER 2010	**7,837**	**1,866**	**– 39,303**	**67,938**	**– 2,920**	**– 1,119**

(1) Share capital is comprised of 7,836,800 shares with a par value of €1. No changes occurred in 2010.
(2) Including -€21.5 million related to the recognition of the purchase commitment of the 30% non-controlling interest in Dooya and foreign exchange gains and losses on equity transactions.

Foreign currency hedges	Deferred tax	Changes in foreign exchange rates	Consolidated reserves and net profit	Total shareholders' equity	Non-controlling interests	Total shareholders' equity (Group share)
– 1,073	**– 100**	**2,003**	**772,643**	**807,772**	**111**	**807,661**
5	2,887	6,444	160,877	99,841	– 25	99,866
–	–	–	994	– 22,327	–	– 22,327
–	–	–	– 39,583	– 39,583	–	– 39,583
–	–	–	– 4,459	– 4,459	– 61	– 4,398
– 1,068	**2,787**	**8,447**	**890,472**	**841,244**	**24**	**841,220**

Foreign currency hedges	Deferred tax	Changes in foreign exchange rates	Consolidated reserves and net profit	Total shareholders' equity	Non-controlling interests	Total shareholders' equity (Group share)
0	**2,442**	**– 3,935**	**733,963**	**719,227**	**– 12**	**719,239**
– 1,073	– 2,623	5,698	95,361	143,653	– 81	143,734
–	–	–	964	2,536	–	2,536
–	–	–	– 36,454	– 36,454	–	– 36,454
–	81	240	– 21,191	– 21,190	204	– 21,394
– 1,073	**– 100**	**2,003**	**772,643**	**807,772**	**111**	**807,661**

Consolidated cash flow statement

€ thousands	Notes	31/12/11	31/12/10
Consolidated net profit		**161,427**	**96,155**
Depreciation and amortisation of assets (excluding current assets)		44,678	45,284
Charges to and reversals of provisions for liabilities		591	– 1,045
Unrealised gains and losses related to fair value movements		– 276	– 107
Unrealised foreign exchange gains and losses		1,039	– 1,131
Income and expenses related to stock options and employee benefits		4,004	3,478
Depreciation, amortisation, provisions and other non-cash items		**50,037**	**46,479**
Profit on disposal of assets and others		– 66,506	– 29
Share of net profit of associates		– 44	11,585
Deferred tax expense		4,090	– 4,836
Cash flow		**149,004**	**149,354**
Cost of net financial debt (excluding non-cash items)		– 1,401	233
Dividends of non-consolidated companies		– 4,932	– 6,578
Tax expense (excluding deferred tax)		20,807	33,941
Change in working capital requirements	(31)	– 22,859	– 7,187
Tax paid		– 44,576	– 16,166
CASH FLOW FROM OPERATING ACTIVITIES (A)		**96,043**	**153,597**
Acquisition-related disbursements:			
– intangible assets and property, plant and equipment		– 41,985	– 30,338
– non-current financial assets		– 17,030	– 3,962
Disposal-related proceeds:			
– intangible assets and property, plant and equipment		718	512
– non-current financial assets	(1)	108,045	17
Change in current financial assets		– 1,078	1,194
Acquisition of companies, net of cash acquired	(9)	– 57,876	– 97,467
Disposal of companies, net of cash disposed		0	– 4,858
Dividends paid by equity-accounted companies		0	372
Dividends paid by non-consolidated companies		4,932	6,578
Interest received		1,660	766
CASH FLOW USED IN INVESTING ACTIVITIES (B)		**– 2,614**	**– 127,185**
Increase in loans		458	50,724
Reimbursement of loans		– 44,353	– 20,552
Other transactions with non-controlling interests	(9)	– 663	– 2,572
Net increase in share capital of subsidiaries		0	673
Dividends paid		– 39,600	– 36,454
Movement in treasury shares		– 23,056	2,207
Interest paid		– 5,832	– 5,519
CASH FLOW USED IN FINANCING ACTIVITIES (C)		**– 113,046**	**– 11,493**
Impact of changes in foreign exchange rates on cash and cash equivalents (D)		701	3,027
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**– 18,917**	**17,945**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	(31)	**84,919**	**66,974**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(31)	**66,002**	**84,919**

Notes to the consolidated financial statements

Somfy SA is a company governed by a Management Board and a Supervisory Board, listed on the Eurolist of Euronext Paris (Compartment A, ISIN code: FR 0000120495).

On 17 February 2012, the Management Board of Somfy SA approved the consolidated financial statements of the Somfy SA Group for the 12-month financial year ended 31 December 2011, it being specified that the Group had total assets of €1,280,762 thousand and realised a consolidated net profit of €161,427 thousand (Group share: €160,613 thousand).

Accounting rules and methods

A. Basis for preparation of consolidated financial statements

Consolidated financial statements – Basis for preparation

The consolidated financial statements are presented in Euro. All amounts are rounded to the nearest thousand of Euro, unless otherwise specified.

The financial statements have been prepared in accordance with the historical cost principle, except for a number of assets and liabilities that were measured at fair value, in particular in relation to derivative instruments.

Consolidated financial statements include the financial statements of Somfy SA and its subsidiaries at 31 December of each year. The financial statements of subsidiaries are prepared for the same reference period as the parent company and on the basis of standard accounting methods.

The financial year-end of all companies is 31 December.

All intragroup balances, transactions, as well as unrealised expenses and income included in the book value of assets and resulting from intragroup transactions have been fully eliminated.

The financial statements of each Group company have been prepared in accordance with accounting principles and regulations applicable in their respective countries. They are restated to comply with Group consolidation principles.

Compliance with accounting standards

In application of European Regulation 1606/2002 of 19 July 2002 on international accounting standards, the Somfy Group's consolidated financial statements for the financial year ended 31 December 2011 have been prepared in accordance with the international financial reporting standards ("IFRS") applicable at that date, as approved by the European Union at the date of preparation of these financial statements.

New standards and interpretations in force

Accounting rules and methods are identical to those used in the preparation of the consolidated financial statements at 31 December 2010, except for the following standards, amendments and interpretations adopted by the European Union, the application of which is mandatory for the financial year 2011 and that had no significant impact on the Group's financial statements:
- revised IAS 24 "Related party disclosures";
- amendments to IAS 32 "Financial instruments – Classification of rights issues";
- improvements to IFRS (May 2010);
- IFRIC 19 interpretation "Extinguishing financial liabilities with equity instruments";
- amendments to IFRIC 14 "The limit on a defined benefit asset, minimum funding requirements and their interaction".

The following standard, adopted by the European Union and whose application will become mandatory at a later stage, was not applied early:
- amendments to IFRS 7 "Disclosures – Transfers of financial assets" applicable from 1 July 2011.

The following standards have been published by the IASB but have not yet been adopted by the European Union:
- IFRS 9 "Financial instruments" applicable from 1 January 2013;
- IAS 27 "Separate financial statements" applicable from 1 January 2013;
- IAS 28 "Investments in associates and joint ventures" applicable from 1 January 2013;
- IFRS 10 "Consolidated financial statements" applicable from 1 January 2013;
- IFRS 11 "Joint arrangements" applicable from 1 January 2013;
- IFRS 12 "Disclosure of interests in other entities" applicable from 1 January 2013;
- IFRS 13 "Fair value measurement" applicable from 1 January 2013;
- IAS 19 "Employee benefits" applicable from 1 January 2013;
- amendments to IAS 12 "Deferred tax – Recovery of underlying assets" applicable from 1 January 2012;
- amendments to IAS 1 "Presentation of items of other comprehensive income (OCI)" applicable from 1 July 2012;
- amendments to IAS 32 "Offsetting financial assets and financial liabilities" applicable from 1 January 2014;
- amendments to IFRS 9 and IFRS 7 "Mandatory effective date and transition disclosures – Transfer of financial assets" applicable from 1 January 2015;

- amendments to IFRS 7 "Disclosures – Offsetting financial assets and financial liabilities" applicable from 1 January 2013;
- interpretation of IFRIC 20 "Stripping costs in the production phase of a surface mine" applicable from 1 January 2013.

The Group is currently conducting analyses on the practical consequences of these new regulations and their impact on financial statements.

A number of these standards are likely to change or be subject to interpretation with potentially retrospective application. These amendments may cause the Group to subsequently change IFRS-restated consolidated financial statements.

Assumptions and estimates

The preparation of consolidated financial statements in accordance with IFRS standards leads Management to make estimates and assumptions which affect the book value of certain assets, liabilities, income and expense items, as well as disclosures in a number of notes to the consolidated financial statements. These assumptions are by nature uncertain and may differ from actual results. The Group regularly reviews its estimates and assessments in order to take account of past experience and to integrate factors that are deemed relevant with regard to economic conditions.

The major items of the financial statements that may be subject to estimates are as follows:

- the impairment of goodwill and intangible assets and property, plant and equipment, whose measurement is specifically based on future cash flow, discount rate and net realisable value assumptions (Note 13 to the consolidated financial statements);
- retirement commitments, whose measurement is based on a number of actuarial assumptions (Note 27 to the consolidated financial statements);
- provisions for liabilities and charges;
- the measurement of options associated with stock option plans and free share allocations granted to employees (Note 29 to the consolidated financial statements).

Financial statements reflect the best estimates, on the basis of available information at year-end close.

B. Consolidation scope

Business combinations

When a company is incorporated in the consolidation scope, the identifiable assets, liabilities and contingent liabilities, complying with IFRS recognition criteria, of the acquired entity are recognised at fair value measured at the date of acquisition, except for non-current assets classified as assets held for sale, which are recognised at the fair value net of disposal costs.

Only identifiable liabilities complying with the recognition criteria of a liability of the acquired entity are recognised in the combination. Therefore, a restructuring liability is not recognised as a liability of the acquired entity if this entity does not have an actual obligation to carry out this restructuring at the date of acquisition.

Goodwill is measured as the difference between total identifiable assets, liabilities and contingent liabilities of the acquired entity, individually estimated at fair value, and the acquisition price of the shares of the company concerned.

Restatements of asset and liability values relating to acquisitions recognised on a provisional basis (due to expertise work in progress or supplementary analyses) are recognised as retrospective restatements of goodwill if they occur within twelve months following the acquisition date.

Beyond this deadline, the impacts of restatements are directly recognised in profit or loss for the financial year, except for error corrections.

Newly-acquired companies are consolidated from the date of effective control or investment.

Consolidation methods

Exclusive control

Companies are fully consolidated when they are controlled by the Group. Control is defined as the power to govern the financial and operating policies of an affiliate so as to obtain benefits from its activities.

Control is generally deemed to exist when the Group holds over half of the voting rights of the controlled company. Financial statements of subsidiaries are included in the consolidated financial statements from the date of effective control transfer, until control ceases to exist.

Minority shareholders' interests are included in the balance sheet under a separate headline called "non-controlling interests". Non-controlling interests' share of net profit is presented separately in the income statement as an allocation of profit for the period.

Revised IFRS 3 permits the recognition of non-controlling interests either at fair value (full goodwill), or at the percentage of net assets held in the acquired entity (partial goodwill). This option may be exercised, on a case by case basis, in respect of each business combination.

Potential restatements to the price of business combinations are measured at fair value on the acquisition date. In certain cases, in accordance with the provisions of revised IFRS 3, when the consideration is paid against a separate transaction of the business combination, such as future services for instance, this transaction is excluded from the business combination.

Pursuant to revised IFRS 3, acquisition expenses are now recorded as an expense in the income statement at the time of first acquisition and Somfy has chosen to record them in current operating result.

In the event of acquisition of additional interests in a subsidiary, the difference between the price paid and the book value of non-controlling interests acquired and any related acquisition costs is recognised according to revised IFRS 3 as a reduction of the Group's consolidated shareholders' equity, and vice versa in case of disposal of interests without loss of control.

In the event control is assumed over a company in which the Group previously held securities, the latter must be revalued at fair value. Any difference between their book value and their fair value is recognised in the income statement. The opposite process applies in the event control is foregone by stages.

The principle adopted for the recognition of purchase commitments given to holders of non-controlling interests is described in paragraph S.

Joint control

Companies over which the Group exercises control jointly with a limited number of partners based on a contractual agreement are proportionally consolidated.

Their assets, liabilities, revenues and charges are consolidated in proportion to Somfy's equity interest.

Significant influence

Associates are companies over which the Group has significant influence on their financial and operating policies, but does not control them.

Companies over which the Group has significant influence are consolidated using the equity method.

Goodwill from these entities is included in the book value of the investment.

Acquisition expenses are recorded in the cost of acquisition of the shares.

The consolidation scope is presented in Note 37 of the consolidated financial statements.

C. Foreign exchange translation

The consolidated financial statements at 31 December 2011 have been prepared in Euro, which is the parent company's functional currency. Each Group entity determines its functional currency and items included in the financial statements of each of these entities are measured in this functional currency.

Recognition of foreign currency denominated transactions in the financial statements of consolidated companies

All foreign currency denominated income statement transactions are translated at the exchange rate applicable on the transaction date. Foreign currency-denominated amounts included in the balance sheet are translated at the exchange rate applicable at year-end. Resulting translation differences are recorded in the income statement.

Translation of foreign subsidiaries financial statements

The financial statements of Group companies which have a different functional currency to the parent company are translated into Euro, as follows:

- assets and liabilities, including goodwill and adjustments related to consolidation fair value are translated into Euro at the year-end exchange rate;
- income and expenses are translated at the average exchange rate for the period, provided significant variations in the exchange rates do not call this method into question;
- differences on translation arising are directly recorded in the consolidated financial statements equity section.

Unrealized exchange differences relating to monetary values that are an integral part of the net investment in foreign subsidiaries are recorded in translation adjustment in equity until the disposal of the investment, at which date they are taken to the income statement.

No Group subsidiary operates in countries whose economy is hyperinflationary.

D. Acquisition goodwill

Acquisition goodwill is measured at cost, which is the difference between the price of shares in consolidated companies and the purchaser's share of the net fair value of identifiable assets, liabilities and contingent liabilities.

Acquisition goodwill is subject to impairment tests at least once annually, or more frequently when events or changes in circumstances indicate that the goodwill has been impaired (indication of impairment). Recognised impairment cannot be reversed.

Acquisition goodwill related to equity-accounted companies is posted to the "equity-accounted companies" account. Impairment recorded on the equity-accounted value may be reversed in the event of a significant recovery in the value of the equity investment.

E. Intangible assets

Intangible assets acquired by the Group are recognised at cost, after deduction of accumulated amortisation and potential writedowns.

Intangible assets primarily comprise:

Software

Internally-developed software is recognised on the balance sheet when the following two conditions are met simultaneously:
- it is probable that the future economic benefits attributable to the software will flow to the Company, and;
- its cost or value can be measured reliably.

Conditions defined by IAS 38 in terms of development cost capitalisation must also be met (including project technical feasibility, the intention to complete the software and availability of resources).

Somfy owns two major types of software:

1 – Software subject to a five stage development project and rolled out in several countries is amortised on a straight-line basis over 10 years.

The five stages characterising the implementation of this type of IT projects are as follows:
- the "initialisation stage", ending in a decision to carry out or not an IT solution research to meet a specific issue;
- the "assessment" stage, ending in the choice of a solution, often the selection of a licence;
- the "study" and "realisation" stages, resulting in a decision to implement the rollout of the solution;
- the "implementation" stage, ending in the transfer of the application to support services. This is the software rollout.

This type of software is linked in particular to the rollout of IT systems.

Development expenses incurred during the "study" and "realisation" stages may be capitalised if all criteria defined by IAS 38 are complied with.

2 – Ready-to-use software, that is software whose operation by Somfy is not subject to a five stage project. It is amortised on a straight-line basis over four years.

Patents

Only acquired patents and related filing expenses are capitalised.

Patents are amortised on a straight-line basis over their legal protection period.

Costs of renewal of patents are included in costs for the year.

Development costs

Development costs are recognised as balance sheet assets when all criteria defined by IAS 38 are met:
- project technical feasibility;
- intention to complete the intangible asset so that it is available for use or sale;
- ability to use or sell the intangible asset;
- generation of future economic benefits;
- availability of resources;
- ability to reliably measure the expenditure attributable to the intangible asset during its development.

Only development costs generated by projects dedicated to the development of new products and conducted in five stages are capitalised, as follows:
- the "assessment" stage, consisting in the production of assessment elements enabling the Group to make the decision to launch the project or not;
- the "pre-study" stage, whose objective is to select technical solutions, validate product feasibility and the marketing strategy to place the product on the market;
- the "study" stage, which enables to set the definition of the product, as well as industrial and marketing resources;
- the "realisation" stage, which consists in qualifying the product, establishing industrial resources in production facilities, as well as marketing resources. This stage also defines project closing criteria;
- the "launch" stage, featuring product manufacturing and the qualification of industrial and marketing resources.

The first two stages, entitled "assessment" and "pre-study" are research phases. Expenses incurred are thus recognised as costs for the financial year.

Development expenses incurred during the "study" and "realisation" stages may be capitalised if all criteria defined by IAS 38 are complied with.

Capitalised development costs are amortised on a straight-line basis, depending on the useful life of the asset from the date of its commissioning (4 or 10 years, depending on the type of product developed).

The value of projects in progress is recognised as an intangible asset in progress, until the "launch" stage, which marks the beginning of project rollout.

No residual value is recognised at Group level to determine the basis for amortisation of intangible assets.

Subsequent expenditures are generally recognised as expenses for the financial year.

Customer relationships

Customer relationships are estimated and recorded as an asset on the balance sheet as part of business combinations. These intangible assets are amortised over their estimated value in use.

Brands

Brands are estimated and recorded as an asset on the balance sheet as part of business combinations. These intangible assets have an indefinite life and are subject to impairment tests at least once a year or more frequently, when events or changes in circumstances indicate that they have been impaired (indication of impairment).

F. Property, plant and equipment (PPE)

Except for business combinations, PPE assets are initially recorded at their acquisition or production cost, which includes the purchase price and all costs necessary to make the assets operational.

Current maintenance costs are recognised as expenses for the financial year.

Straight-line depreciation is used based on the following average useful lives:
- Buildings: 20 to 30 years;
- Machinery and tools: 5 to 10 years;
- Transport vehicles: 3 to 5 years;
- Office furniture and equipment: 5 to 10 years;
- Fittings and fixtures: 8 to 10 years.

Taking account of the nature of PPE held by Somfy, no significant component was identified.

Subsequent expenditures may be capitalised if they comply with asset recognition criteria, as defined by IAS 16, in particular if it is probable that future economic benefits of the asset will flow to the Company. These criteria are considered prior to incurring the cost.

Asset residual values, useful lives and asset depreciation are reviewed, and amended if necessary, at the end of each year.

PPE recoverable amounts are reviewed when events or changes in circumstances indicate that the book value may not be recovered.

PPE are derecognised at disposal or when no future economic benefit is expected from their use or disposal. Any profit or loss resulting from the derecognition of an asset (measured as the difference between the net proceeds of the sale and the book value of the asset) is included in the income statement for the year in which the asset is derecognised.

G. Leases

• Leases that transfer virtually all the risks and rewards incident to ownership to the lessee are classified as finance leases.

These leases are classified as finance leases when the following major indicators are met (non-exhaustive list):
- transfer of asset ownership at expiry of the lease with purchase option;
- the option exercise conditions are such as to make the transfer of ownership highly likely at the expiration of the lease;
- the lease term is for the major part of the useful life of the asset according to the lessee's conditions of use;
- the present value of minimum lease payments is close to the fair value of the leased asset at the conclusion of the contract.

Assets financed within the framework of finance leases primarily include real estate. They are recorded, from inception of the contract, in property, plant and equipment at the lower of the fair value of leased assets and the present value of minimum payments in respect of the lease.

Payments made in respect of the lease are broken down between finance charges and debt repayment, in order to obtain a constant periodic rate of interest on the outstanding liability. Finance charges are directly recognised in the income statement.

PPE acquired through finance leases are depreciated over the same duration as described above, if the Group expects to gain ownership of the asset at the expiry of the contract. If not, the asset is depreciated on the basis of the shorter period of the asset useful life and the duration of the lease.

• Leases classified as operating leases are not restated and lease payments are recognised as expenses for the financial year, spread if required on a straight-line basis.

H. Impairment tests

IAS 36 defines the procedures to be applied by a company to ensure that the net book value of its assets does not exceed their recoverable amount, that is the amount to be recovered from the use or the disposal of the assets.

Except for goodwill and intangible assets with an indefinite life, which require systematic annual impairment tests, the recoverable amount of an asset is estimated every time there is an indication that the asset may be impaired.

The recoverable amount of an asset is measured at the higher of its fair value, after deduction of disposal costs, and its value in use.

Fair value after deduction of disposal costs is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting disposal costs.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life.

A recoverable amount is estimated for each individual asset. If it is not possible to do so, assets are brought together in Cash Generating Units (CGUs), whose recoverable amount is subsequently measured.

A Cash Generating Unit is the smallest group of assets to which the asset belongs, which generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CGUs have been identified within the Somfy Group. They primarily comprise the Group's legal entities that have been acquired through merger and acquisition transactions.

The recoverable amount of a CGU is measured at the higher of the fair value of its assets, after deduction of disposal costs, and its value in use.

The value in use is determined on the basis of cash flows estimated by plans and budgets for a maximum of 5 years. Cash flows beyond 5 years are extrapolated through the application of a constant or decreasing rate and discounted using long-term market rates after tax, which reflect market estimates of the time value of money and specific risks pertaining to these assets. In certain cases, cash flows can be estimated over longer periods, to be justified CGU by CGU.

The recoverable amount is then compared to the book value of the CGU.

If this amount exceeds the net book value of the CGU at period end, no impairment is recognised.

However, if this amount is lower than the net book value, an impairment loss equal to the difference is recognised in priority against the acquisition goodwill. This impairment loss may not be reversed.

For other PPE and intangible assets (excluding goodwill) with a set useful life, a previously recognised impairment loss may be reversed if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognised. If this is the case, the asset book value is increased to match the recoverable amount. The book value that has been increased following the reversal of an impairment loss may not exceed the book value that would have been measured, after deducting amortisation or depreciation, if no impairment loss had been recognised for this asset over the previous financial years. Following the recognition of an impairment loss reversal, the amortisation or depreciation charge is adjusted for future periods, so that the revised book value of the asset, after deducting its potential residual value, is equally spread over the remaining value in use.

I. Financial assets

Financial assets are classified in four categories according to their nature and the purpose of ownership:
- assets held to maturity;
- assets measured at fair value by way of the income statement;
- assets available for sale;
- loans and receivables (excluding trade receivables).

Financial assets are initially recognised at cost, which corresponds to the fair value of the purchase price, increased by acquisition costs.

Assets held to maturity

These solely comprise fixed income securities purchased with the intent of holding them until maturity. They are measured at amortised cost using the effective interest rate method. Amortised cost is measured by taking into account any discount received or premium paid at acquisition, over the period running from the acquisition to the maturity date. Profits and losses are recognised in the income statement when assets are derecognised or their value is impaired. The same applies to writedown charges.

The Group does not own any assets of this type to date.

Assets measured at fair value by way of the income statement

These represent assets held for transaction purposes, meaning assets acquired by the Company with a view to dispose of them in the short term. They are measured at fair value and fair value variances are recognised in the income statement.

In particular, marketable securities complying with the definition of financial assets held for transaction purposes are measured at fair value at year-end and recognised as current financial assets. Fair value variances are recognised in the income statement.

Available-for-sale assets

Group investments in companies over which it neither has control, nor significant influence nor joint control are recognised as financial assets available for sale in accordance with IAS 39.

These securities are measured at fair value at year-end and fair value variances are directly recognised in equity where their fair value is not less than their historical value over a long period of time. Amounts thus recognised in equity are reclassified to the income statement on the disposal of assets.

Corresponding dividends are recognised in financial income in the year they are paid.

If the fair value of these assets available for sale happens to be lower than the acquisition cost, a provision for writedown is established and recognised in the income statement when there is an objective indication that the value of these assets available for sale may be impaired.

Financial assets available for sale are classified as non-current financial assets, except for those with a maturity date of less than 12 months at year-end, which are classified as current financial assets.

Loans and receivables

They represent financial assets issued or acquired by the Group in return for a direct money consideration, goods or services given to a debtor. They are measured at amortised cost, using the effective interest rate method. Long-term loans and receivables, non-interest bearing or bearing a lower interest rate than market interest rate, are discounted if amounts are significant. Potential impairment losses are recognised in the income statement.

In addition, writedown charges are established when there is an objective indication that the value of the asset may have been impaired as a result of an event arising after its initial recognition.

This account primarily comprises guarantees and deposits paid to various lenders.

J. Inventory

Inventories are valued at their procurement cost, determined using the weighted average cost method.

In particular, inventory cost measurement takes into account the following items:
- the gross value of raw materials and supplies includes the purchase price and ancillary expenses;
- expenses incurred to bring inventories to the place they are located, and in the condition they are in, are integrated in inventory procurement cost;
- manufactured products are measured at production cost, which includes consumables, direct and indirect production expenses and depreciation charges of assets used in the manufacturing process;
- intragroup profits included in inventories are eliminated;
- borrowing costs are not included in the cost of inventory.

The value of inventories and work in progress is impaired when their net realisable value is lower than their book value.

Net realisable value is the estimated selling price under normal business conditions, after deducting estimated completion cost and estimated selling expenses.

K. Trade and other receivables

Trade and other receivables are recorded at their nominal value and a provision for writedowns is established on a case-by-case basis when receivables are unlikely to be collected.

L. Treasury shares

The Group holds treasury shares for the following purposes:
- to stimulate the secondary market or ensure the liquidity of the Somfy SA share by way of an investment services provider within a liquidity contract that complies with the AMAFI ethics charter recognised by the "Autorité des Marchés Financiers";
- to retain the shares purchased and subsequently exchange them or use them within the framework of potential acquisitions, recognising that shares acquired to that end may not exceed 5% of the Company's share capital;
- to ensure the coverage of option plans to purchase shares and other forms of allocations of shares granted to employees and senior executives of the Group, in accordance with the terms and conditions prescribed by law, in particular in relation to employee profit-sharing, the Group savings scheme or the allocation of free shares;
- to cover marketable securities giving right to the allocation of shares in the Company, in accordance with applicable regulations;
- to proceed with the possible cancellation of shares acquired.

Treasury shares directly held by the Group or through a liquidity contract are eliminated from equity.

On their disposal, the consideration received for the disposal of treasury shares is directly recognised as an increase of Group equity, no gain or loss is thus recognised in net profit/loss for the financial year.

M. Cash and cash equivalents

Cash includes bank balances (bank assets and overdrafts) and cash in hand.

Cash equivalents primarily comprise OPCVM (pooled investments – financial assets held for transaction purposes), which are short term, very liquid, easily convertible into a known amount of cash and subject to a negligible risk of unfavourable change in value.

N. Provisions

This includes commitments with an uncertain maturity date or amounts resulting from restructuring operations, environmental risks, litigations or other risks.

A provision is established when the Group has a current obligation (legal or constructive) resulting from a past event and when future cash outflows can be measured reliably.

A provision for restructuring is recognised when there is an obligation toward third parties, originating from a Management decision materialised before year-end by the existence of a detailed and formal plan, which has been announced to the personnel affected or their representatives.

When the Group expects full or part repayment of an expense that was the subject of a provision, by way of the existence of an insurance contract for instance, the repayment is recognised as a separate asset but only if repayment is virtually certain.

The provision charge is taken to the income statement, net of any repayment.

In order to cover costs inherent in guarantees given to customers, the Group recognises a provision for charges. This provision represents the estimated amount, based on statistics of charges recognised in the past, as a result of repairs during the guarantee period. At each year-end, this provision is reversed for the actual amount of services rendered recorded as expenses for the financial year.

If the impact of the time value of money is significant, provisions are discounted on the basis of a rate after tax which reflects the specific risks of the liability.

Where a provision is discounted, the increase in the provision relating to the discounting is recorded as an operating expense.

Contingent liabilities correspond to potential obligations arising from past events, whose existence will only be confirmed by the occurrence of uncertain future events, which are beyond the entity's control, or from current obligations for which no cash outflow is likely to occur. Excluding for those resulting from business combinations, they are not recognised but disclosed in the notes to the financial statements.

O. Employee benefits

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

Contributions paid in respect of plans analysed as defined contribution plans, for which the Group has no other obligation than paying contributions, are recognised as expenses for the financial year.

For defined benefit plans relating to post-employment benefits, the cost of benefits is measured using the projected unit credit method.

According to this method, the rights to benefits are allocated to periods of service depending on the plan's formula for acquisition of rights, by taking account of a straight line effect where the rate of acquisition of rights is not uniform to the periods of subsequent service.

The amount of future payments corresponding to benefits granted to employees are measured on the basis of salary increase, retirement age and death rate assumptions, and then discounted to their present value on the basis of long term bond interest rates of prime issuers.

These plans are either financed – their assets being managed separately and independently from the Group – or not, with their commitments being recognised in the balance sheet under "employee commitments".

The different defined benefit plans are the following:

- retirement benefit plans (IFC) for all French companies, in compliance with applicable collective agreements;
- defined benefit pension plans in international subsidiaries (United States and the Netherlands in particular).

In accordance with the method provided for by IAS 19 "Employee benefits – Actuarial gains and losses, group plans and disclosures", all actuarial differences are immediately recognised, net of deferred tax, in reserves.

The cost of past services is recognised as an expense on a straight line basis over the average remaining time before corresponding rights are acquired by employees. If benefit rights have already been acquired at the adoption or change of a pension plan, the cost of past services is recognised immediately.

Pursuant to IAS 19, seniority awards are treated as long-term benefits granted to employees and provided for on the basis of an actuarial evaluation at every year end. Actuarial variances are recognised as expenses.

Also, the severance pay provision (TFR) applicable to Italian companies is treated as a long-term benefit.

A provision was established for expenses incurred in respect of ITR (Individual Training Right). This commitment, which only concerns French companies, was estimated based on several factors (cost per hour, number of hours accumulated by employees, probability of ITR being claimed by personnel, etc.).

In the limited number of cases where these expenses cannot be considered as remuneration for future services, a provision is established in the financial statements for the financial year in respect of the resulting short term commitment, provided that the obligation toward the employee is probable or certain.

P. Trade and other payables

Trade and other payables are recognised at their nominal value.

Q. Share-based payments

Some Group employees, including Directors, have received the right to the allocation of free shares, subject to the achievement of certain performance conditions, and options entitling them to acquire Somfy shares at a price fixed in advance. The Group does not grant warrants to subscribe for shares.

Effective allocation of options is subject to conditions being fulfilled. Each beneficiary must be employed by the Group at the date options are exercised. For some employees, the ability to exercise options is also governed by the achievement of predetermined objectives.

The price of these options and free shares is measured at fair value according to the Black & Scholes model.

During the rights vesting period, the fair value of options and free shares thus determined is split in proportion to the acquisition of rights. This expense is posted to personnel costs and offset by an increase in equity. Upon exercise of the options, the exercise price received is recorded under cash and offset in equity.

The dilutive impact of outstanding options and free shares is reflected in the calculation of earnings per share.

Pursuant to the transition provisions of this standard, only option plans allocated after 7 November 2002 have been recognised in accordance with the above described principle and subjected to measurement.

R. Borrowings and borrowing costs

Upon initial recognition, loans and other interest-bearing debts are measured at fair value, increased by transaction costs that are directly attributable to the issuance of the liability. Fair value generally equals the amount of cash received.

Issuing charges and premiums are taken into consideration in measuring amortised cost according to the effective rate method. Therefore, they are recognised in the income statement on an actuarial basis over the duration of the liability.

Interest on loans is recognised as an expense of the period.

S. Purchase commitments given to non-controlling interests

Due to the lack of specific IFRS provision and in accordance with the recommendation issued by the AMF on 4 November 2009, the Group opted for the following accounting treatment in relation to commitments to acquire non-controlling interests. Upon initial recognition, these commitments are recognised as financial debt at the discounted acquisition value and offset by a reduction in the value of non-controlling interests. The difference between the book value of the non-controlling interests due to be acquired and the value of the estimated liability is accounted for:

- under equity, for transactions arising after 1 January 2010;
- under goodwill, for transactions arising before 1 January 2010.

T. Income tax

Current tax

The income tax grouping agreement between Somfy SA and its directly and indirectly owned subsidiaries was renewed on 1 January 2007 for a further 5 years.

The following companies are party to this agreement at 31 December 2011: Somfy SA, Somfy SAS, Simu SAS, CMC SARL, SEM-T SAS, Domis SA, NMP SAS, Zurflüh-Feller Holding SAS, Zurflüh-Feller SAS, Zurflüh-Feller Montage EURL, MSD EURL, CERF EURL, Automatismes BFT France SAS and BFT Languedoc SAS.

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.

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

Deferred tax

Deferred tax assets and liabilities are measured at the income tax rate expected to apply to the financial year when the asset will be realised or the liability settled, on the basis of income tax rates (and tax regulations) adopted or virtually adopted at year end.

Deferred tax is recognised for the temporary differences between the book value of assets and liabilities and its tax value and restatements made on consolidation to conform to Group accounting standards (extended concept of deferred tax calculation).

Deferred tax relating to tax losses of companies not included in the tax grouping or that have arisen prior to their inclusion in the tax grouping are recognised when the conditions defined by IAS 12 are met:

- the entity has sufficient taxable temporary differences with a single tax authority and for the same entity, which will generate taxable amounts against which unused tax losses and tax credits can be offset before they expire;
- it is likely that the entity will generate taxable profits before unused tax losses and tax credits expire;
- unused tax losses result from identifiable causes, which will probably not reoccur;
- opportunities related to the entity tax management will generate taxable profits for the financial year during which unused tax losses and tax credits can be allocated.

If it is unlikely that the entity will make sufficient profits to allocate unused tax losses or tax credits, deferred tax assets are not recognised.

U. Derivative financial instruments

All derivatives are measured at their fair value. Fair value is either the market value for listed instruments, or a value provided by financial institutions in accordance with traditional criteria (over the counter market).

Derivative instruments primarily comprise foreign exchange contracts and interest rate swaps.

As for the fair value of interest rate hedging, the effective portion of the fair value of foreign currency hedgings recognised as eligible for hedge accounting is recognised in shareholders' equity.

The fair value movements in foreign currency and interest rate hedging instruments ineligible for hedge accounting are recognised in net financial income/(loss).

The fair value of derivative instruments is recognised in the balance sheet under specific items: "current and non-current asset derivative instruments" or "current and non-current liability derivative instruments" depending on the nature of the hedged asset.

V. Non-current assets held for disposal

An entity must classify a non-current asset (or a group held for sale) as held for disposal if the fair value is recovered through a sale rather than through continuing use of the asset.

When assets are held for disposal in accordance with principles defined by IFRS 5, the Group measures these assets at the lower of their book value and fair value, after deducting disposal cost, and ceases to depreciate these assets.

Assets and liabilities thus determined are recognised in a specific balance sheet item and income statement caption.

W. Earnings per share

Net earnings per share is calculated by dividing the net profit for the financial period by the average number of shares in issue over the period (number of shares issued net of treasury shares held).

Only treasury shares held by the Group and attributed at the closing to stock options plans or free shares allocations guarantee a dilutive effect on the calculation of diluted earnings per share. The Group has not issued any security giving future access to capital.

X. Income from ordinary activities

Group sales include all income from ordinary activities of consolidated companies.

Income from ordinary activities is recognised when it is probable that future economic benefits will flow to the Group and that they can be measured reliably.

Income from ordinary activities is recognised at the fair value of the consideration received or to be received.

Sales of goods are recognised when delivered to final customers.

Y. Operating result

Current operating result is defined as the difference between:

- operating result including all revenues and charges, except those generated from finance activities, equity-accounted companies, discontinued operations, operations held for disposal or income tax, and;
- other operating income and expenses.

Other operating income and expenses relate to factors that are unusual, abnormal, infrequent and particularly significant, which could mislead the understanding of the Group's consolidated performance. These notably include the capital gains and losses on asset disposals, restructuring costs and provisions of a nature liable to affect the understanding of the current operating result.

Current operating result reflects Company performance.

The amortisation of intangible assets allocated as part of business combinations (IFRS 3) is included in current operating profit.

Z. Net financial income/(expense)

Net financial income/(expense) comprises the following two items:

Net cost of debt

Includes all income/(expense) from net financial debt or cash surplus constituents over the period, including income/(loss) on interest rate hedging.

Other financial income and expenses

It includes revenues and charges of a financial nature but neither of an operational nature nor a constituent of net debt cost.

AA. Segment reporting

The Group presents the relevant indicators based on two operating segments: "Somfy Activities" and "Somfy Participations". These segments are disclosed in Note 3 to the consolidated financial statements.

Notes to the consolidated financial statements at 31 December 2011

1. Changes in Group structure

Somfy Activities acquired:

- 40% of **STOR'M**, a company specialised in gate automation, for €0.3 million. This company was equity-accounted from the date of acquisition (May 2011);
- the 40% of the share capital in **BFT GmbH** which it did not previously own through its subsidiary BFT SpA, for €0.5 million. This company was already fully consolidated, therefore no change of control took place;
- **BFT Gulf-Technoworld**, a distributor of BFT products, through its subsidiary BFT SpA. Its capital was acquired in full at a price of €2.6 million. This acquisition resulted in the recognition of an earn-out of €0.7 million and generated goodwill of €3.0 million. This company was consolidated from the date of acquisition (April 2011) and contributed €3.1 million to Group sales.

Somfy Activities exercised its call option for an additional 20% of the capital of **BFT Piemonte** for €0.2 million, thus increasing its equity holding to 90%. There remains a mutual put/call option for the acquisition of the residual 10%.

In mid-May 2011, **Somfy Activities** finalised an agreement with the shareholders of Brazilian company **Garen Automaçao**, the leader in South America for door and gate controls. At this initial stage, Somfy's commitment is limited to the subscription in convertible and conventional bonds issued by Garen, for €11.1 million and €2.5 million, respectively. The conversion of the convertible bonds, expected to occur in 2016, will potentially allow control of the company.

Somfy Activities sold its equity investment in Firstinnov during the second half of 2011, with no significant impact on the 2011 financial year.

Somfy Participations made an equity investment of 47.23% in **Pellenc** for €64.9 million. This company has been equity-accounted from 31 December 2011. Therefore, this acquisition had no impact on the income statement for the 2011 financial year. Provisional goodwill of €21.8 million will be allocated during 2012. For information, this company as a whole generated sales of about €114.2 million in 2011.

Early in February 2011, **Somfy Participations** sold its 32.95% equity investment in **agta record** to Assa Abloy. The value of the transaction was €109.8 million, of which €101.1 million has already been collected, with the balance of €8.7 million to be paid early in 2013 at the latest. The €63.1 million capital gain, net of related costs, was recognised as financial income during the period.

In mid-December 2011, **Somfy Participations** sold its equity investment in Babeau Seguin for €6.5 million. A capital gain of €4.1 million was recognised as financial income.

2. Highlights

Somfy Activities wrote down the goodwill of O&O, Pujol and Yorkshire Technology:

- the outlook for **O&O**, a subsidiary of BFT SpA that produces lifting gates, rising bollards and automated sliding doors, has deteriorated compared to the acquisition business plan, due to the macro-economic situation prevailing in Southern Europe, where the company conducts most of its business. Goodwill was impaired for 60% of its value, i.e. €4.1 million;
- the outlook for short and medium-term profit growth led to a review of the business plan of **Pujol** (a Spanish company), which has been seriously affected by the macro-economic environment prevailing in Southern Europe. Since this acquisition was made before the application of revised IFRS 3, a goodwill impairment of €2.2 million was recognised, offset by the waiver of the earn-out clause;
- the outlook for **Yorkshire Technology** has deteriorated. Goodwill was written down in full for €0.3 million.

Somfy Activities wrote down €0.5 million from the equity value of its 40% investment in **Oxygen (Astélia)**, a company specialised in alarm systems for the house-bound elderly. This impairment was recognised after indications of a loss in value were noted.

Somfy Participations sold the assets of Parquets Marty: after this company was put under judicial reorganisation, the Commercial Court of Agen decided on its disposal on 12 July 2011. This Somfy Participations investment was equity-accounted. Somfy Group fully wrote down the value of the assets held in the Parquets Marty Group, which had a negative impact of €1.2 million in the share of profit from equity-accounted companies for the year ended 31 December 2011.

Somfy Participations wrote down €2.0 million from the goodwill of **Sirem**. This writedown follows the persisting difficulties encountered by Sodim, whose results fall short of its Business Plan.

The financial statements at 31 December 2010 were restated following the final allocation of the acquisition price of **Dooya**.

3. Segment reporting

The Group is organised in two separate divisions:

- **Somfy Activities,** which includes the companies whose operations come within the scope of Somfy's three additional businesses "Shutters & Awnings", "Windows & Blinds" and "Doors & Gates";
- **Somfy Participations,** which is dedicated to investing in industrial companies outside Somfy's core business. This division holds interests in Cotherm, FAAC, Gaviota Simbac, Zurflüh-Feller, CIAT, Sirem and Pellenc.

Several operating segments are monitored under the Somfy Activities division. However, in accordance with the combination criteria defined by IFRS 8, it has been decided to merge them into one segment.

No difference exists between the accounting policies applied by the segments presented and the accounting policies applied by the Group.

At 31 December 2011

€ thousands	Somfy Activities	Somfy Participations	Other	Inter-segment	Consolidated
Segment sales	842,776	112,499	–	– 2,844	952,430
Segment profit (current operating result)	118,176	6,605	– 120	–	124,661
Share of net profit of equity-accounted companies	– 925	469	–	–	– 456
Cash flow	128,287	19,247	1,469	–	149,003
Intangible assets and PPE investments	38,699	6,235	–	–	44,934
Goodwill	193,273	31,614	–	–	224,887
Net intangible assets and PPE	228,768	58,656	–	–	287,424
Non-consolidated investments	41	132,159	–	–	132,200
Equity-accounted companies	1,503	113,505	–	–	115,008

The column "Other" mainly includes financing costs and exchange differences which may not be directly attributed to one of the two segments.

At 31 December 2010

€ thousands	Somfy Activities	Somfy Participations	Other	Inter-segment	Consolidated
Segment sales	747,451	107,221	–	– 2,066	852,606
Segment profit (current operating result)	128,055	10,684	– 105	–	138,634
Share of net profit of equity-accounted companies	– 134	– 11,450	–	–	– 11,585
Cash flow	128,020	24,042	– 2,708	–	149,354
Intangible assets and PPE investments	25,469	4,388	–	–	29,857
Goodwill	194,738	34,252	–	–	228,990
Net intangible assets and PPE	217,286	60,888	–	–	278,175
Non-consolidated investments	67	137,226	–	–	137,293
Equity-accounted companies	1,470	47,155	–	–	48,625

The column "Other" mainly includes financing costs and exchange differences which may not be directly attributed to one of the two segments.

Net intangible assets and property, plant and equipment by asset location

€ thousands	31/12/11	31/12/10
France	112,306	109,829
Germany	7,783	7,889
Northern Europe	3,368	3,308
Eastern and Central Europe	2,246	2,261
Southern Europe, Middle East and Africa	63,531	61,063
Asia Pacific	35,284	27,931
Americas	4,250	5,005
SOMFY ACTIVITIES	**228,768**	**217,286**
Somfy Participations	58,656	60,888
CONSOLIDATED SOMFY	**287,424**	**278,175**

Sales by customer location

€ thousands	31/12/11	31/12/10	Variance N/N-1	Variance N/N-1 like-for-like
France	240,617	225,584	6.7%	6.3%
Germany	131,643	113,562	15.9%	10.8%
Northern Europe	90,839	88,775	2.3%	0.0%
Eastern and Central Europe	73,886	60,407	22.3%	11.9%
Southern Europe, Middle East and Africa	158,416	143,214	10.6%	– 1.3%
Asia Pacific	76,727	52,102	47.3%	3.3%
Americas	70,647	63,807	10.7%	6.2%
SOMFY ACTIVITIES	**842,775**	**747,451**	**12.8%**	**5.0%**
Somfy Participations	112,499	107,221	4.9%	5.0%
Intragroup sales	– 2,844	– 2,066	37.7%	37.7%
CONSOLIDATED SOMFY	**952,430**	**852,606**	**11.7%**	**4.9%**

4. Other operating income

€ thousands	31/12/11	31/12/10
Fixed asset production	4,142	4,252
Provision of services	3,416	3,002
Other revenues	7,810	3,555
OTHER OPERATING INCOME	**15,368**	**10,809**

Fixed asset production comprises certain development expenses borne during the year.
Other revenues include accrued insurance income and tax credits.

5. Other operating income and expenses

€ thousands	31/12/11	31/12/10
Charge/reversal to non-current provisions	1,989	2,059
Other non-current items	– 3,949	– 4,091
– Non-current income	*859*	*841*
– Non-current expenses	*– 4,808*	*– 4,932*
Net gain/(loss) on disposal of assets	– 1	1,492
OTHER OPERATING INCOME AND EXPENSES	**– 1,961**	**– 540**

For the year ended 31 December 2010, the net gain on disposal of assets is related to the disposal of Spirel.

6. Net financial income

€ thousands	31/12/11	31/12/10
Cost of net financial debt	1,731	– 173
– Financial income from investments	*8,029*	*6,066*
– Financial expenses related to borrowings	*– 6,298*	*– 6,239*
Effect of foreign currency translation	– 2,695	– 1,672
Other	71,403	6,597
NET FINANCIAL INCOME	**70,438**	**4,752**

At 31 December 2011, the "Other" caption of net financial income included the capital gains on the disposal of agta record and Babeau Seguin for €63.1 million and €4.1 million, respectively, and FAAC dividends of €4.6 million (unchanged from 2010).

7. Current and deferred tax

7.1. Tax proof

€ thousands	31/12/11	31/12/10
Profit before tax	186,778	136,844
Expenses on dividends	*2,826*	*2,799*
Dividends from non-consolidated companies	*– 4,590*	*– 6,577*
*agta record capital gain net of share of related expenses and charges**	*– 60,865*	
Other	*– 4,734*	*6,773*
Permanent differences	– 67,363	2,995
Net profit taxed at reduced rate**	– 18,755	– 17,400
Net profit taxable at standard rate	100,660	122,439
Tax rate in France	*36.10%****	*34.40%*
Tax charge recalculated at the French standard rate	36,338	42,119
Tax at reduced rate**	3,047	2,663
Difference in standard rate in foreign countries	*– 16,436*	*–20,288*
Tax losses for the year, unrecognised in previous periods, deficits used	*927*	*668*
Effect of the rate difference	– 15,509	– 19,620
Tax credits	– 1,422	– 1,260
Other taxes and miscellaneous	2,442	5,202
Group tax	24,896	29,104
Effective rate	*13.33%*	*21.27%*
current tax:	20,807	33,941
deferred tax:	4,089	– 4,837

** Taxation of agta record capital gain: 0%, as the shares had been held for more than two years.*
*** Royalties taxed at reduced rate (15.6%).*
**** Introduction of an exceptional income tax contribution of 5%, which increased the standard rate to 36.1% (2011 Amending Finance Law).*

Current tax assets and liabilities

There was a significant decline in tax liabilities and an increase in tax assets due to a lower taxable profit.

Retained losses capitalised or used

Deferred tax relating to losses of companies excluded from the tax grouping or which arose before their inclusion in the tax grouping was not capitalised where it was deemed unlikely that future taxable profits will be sufficient to absorb unused previous tax losses. The value of such losses was €33,336 thousand in 2011 and €20,413 thousand in 2010 (at the ordinary tax rate).

No significant deferred tax assets were recognised in 2011 in relation to tax losses arising during the financial year or in previous years.

7.2. Deferred tax directly taken to equity

€ thousands	31/12/11	31/12/10
Deferred tax assets		
– Actuarial gains and losses on employee benefits	1,987	1,043
– Interest rate hedgings	306	379
– Foreign currency hedgings	386	369
Deferred tax liabilities		
– Available-for-sale financial assets	3,994	3,069
NET DEFERRED TAX	**– 1,315**	**– 1,278**

The positive difference between the fair value and historic cost of available-for-sale assets is recognised directly in reserves, along with the related tax.

7.3. Analysis by nature

€ thousands	31/12/11 Asset	31/12/10 Asset	Income statement impact
Deferred tax on restatements related to IFRS standards and temporary differences, including:	21,403	18,535	1,448
– *Adjustments to employee benefits*	*5,203*	*3,745*	*9*
– *Adjustments resulting from provision methods*	*3,677*	*3,146*	*513*
– *Adjustments due to tax and social liabilities*	*2,104*	*2,463*	*– 362*
– *Fair value adjustments*	*2,121*	*2,213*	*– 92*
– *Adjustments on the fair value of hedging instruments*	*1,481*	*1,609*	*– 246*
– *Adjustments resulting from acquisition expenses*	*1,140*	*1,078*	*62*
Deferred tax on intragroup margin	8,230	5,938	2,148
Deferred tax on the elimination of intragroup provisions	– 34	0	– 34
TOTAL	**29,599**	**24,472**	**3,562**

€ thousands	31/12/11 Liability	31/12/10 Liability	Income statement impact
Deferred tax on restatements related to IFRS standards and temporary differences, including:	55,504	51,363	5,619
– *Adjustments related to the fair value of property, plant and equipment*	*13,536*	*13,068*	*2,106*
– *Adjustments related to leases*	*9,753*	*8,559*	*1,195*
– *Adjustments due to changes in depreciation rates*	*6,963*	*7,682*	*– 723*
– *Adjustments from the capitalisation of development costs*	*8,626*	*7,046*	*1,580*
Deferred tax on intragroup margin	1,062	1,028	30
Deferred tax on the elimination of intragroup provisions	2,134	130	2,004
Deferred tax on acquisition expenses	1,579	1,579	0
TOTAL	**60,279**	**54,101**	**7,652**

8. Earnings per share

Earnings per share	31/12/11	31/12/10
Net profit - Group share (€ thousands)	160,613	95,439
Total number of shares (1)	7,836,800	7,836,800
Treasury shares* (2)	356,583	233,231
Number of shares used in calculation (1) – (2)	7,480,217	7,603,569
BASIC EARNINGS PER SHARE (€)	**21.47**	**12.55**

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

Diluted earnings per share	31/12/11	31/12/10
Net profit - Group share (€ thousands)	160,613	95,439
Total number of shares (1)	7,836,800	7,836,800
Treasury shares** (2)	314,922	174,389
Number of shares used in calculation (1)-(2)	7,521,878	7,662,411
DILUTED EARNINGS PER SHARE (€)	**21.35**	**12.46**

*** Excluding treasury shares allocated to stock option and free share plans.*

Treasury shares acquired by Somfy SA and allocated to share option plans and free share plans at the balance sheet date contribute towards diluted earnings per share.

The number of shares comprising the share capital has not been modified.

9. Business combinations and acquisitions of non-controlling interests

Acquisitions during 2011

Somfy Activities acquired:
- 40% of the capital of **STOR'M** for €0.3 million;
- **BFT Gulf-Technoworld** for €2.6 million.

Details relating to these acquisitions are provided in Note 1 on changes in Group structure.

The fair value of the identifiable assets and liabilities of these companies at the date of acquisition is close to their net carrying value. Their values are susceptible to change during the allocation period.

The table below details the assets and liabilities of the companies acquired during the period:

€ thousands	Fair value at the date of acquisition Somfy Activities
Goodwill	2,438
Net intangible assets	641
Net property, plant and equipment	61
Net financial assets	–
Other non-current receivables	–
Deferred tax assets	–
Inventory	1,260
Trade receivables	67
Other current receivables	14
Other current financial assets	–
Cash and cash equivalents net	326
Tax receivable	–
Non-current provisions	–
Other non-current financial liabilities	– 380
Other non-current liabilities	–
Employee benefits	–
Deferred tax liabilities	–
Current provisions	–
Other current financial liabilities	– 383
Trade payables	– 1,394
Other current liabilities	– 26
Current tax liabilities	–
Equity-accounted companies	308
Acquisition cost	**2,931**
Less: cash acquired	– 326
Total	**2,605**
Other funding	–
CASH FLOW FROM ACQUISITIONS, NET OF CASH ACQUIRED	2,605

(+) Cash outflow

Somfy Participations made an equity investment of 47.23% in the capital of **Pellenc** for €64.9 million.

The net cash flow impact of this equity investment was €55.3 million.

Net cash flows were also impacted by the acquisition of a non-controlling interest in BFT GmbH (€0.5 million) and BFT Piemonte (€0.2 million).

Acquisitions during 2010

Somfy Activities acquired:
- 70% of the share capital of **Ningbo Dooya** for €100.6 million;
- 100% of the share capital of **BFT Autoferm** for €0.9 million;
- 100% of the share capital of **BFT Anatolia** for €6.6 million.

The fair value of the identifiable assets and liabilities of these companies at the date of acquisition was close to their net carrying value.

The table below details the assets and liabilities of the companies acquired during the 2010 financial year:

€ thousands	Fair value recognised at the date of acquisition Somfy Activities
Goodwill	90,597
Net intangible assets	21,696
Net property, plant and equipment	2,706
Net financial assets	2
Other non-current receivables	29
Deferred tax assets	234
Inventory	6,263
Trade receivables	3,484
Other current receivables	5,357
Current tax assets	–
Other current financial assets	350
Cash and cash equivalents net	9,227
Tax receivable	20
Non-current provisions	– 53
Other non-current financial liabilities	– 31,006
Other non-current liabilities	–
Employee benefits	– 4
Deferred tax liabilities	– 3,464
Current provisions	– 79
Other current financial liabilities	– 1,776
Trade payables	– 8,860
Other current liabilities	– 7,392
Current tax liabilities	– 9
Equity-accounted companies	–
Non-controlling interests & impact of put option on shareholders' equity	21,424
Acquisition cost	**108,746**
Less: cash acquired	– 9,227
Total	**99,519**
Other funding	– 2,848
NET CASH FLOW FROM ACQUISITIONS, NET OF CASH ACQUIRED	96,671

(+) Cash outflow

Somfy Participations acquired 34% of the share capital of DMH, holding company of **Parquets Marty,** for €0.8 million.

The net cash flow impact of this equity investment was €0.8 million.

Net cash flows also take into account the purchase of non-controlling interests in SACS (€0.3 million) and O&O (€2.3 million).

Pursuant to IFRS 3, the provisional allocation of the goodwill of Ningbo Dooya was reflected in the 2010 annual financial statements. Additional allocation work was carried out within the one-year allocation timeframe.

The impact on the net assets of Ningbo Dooya was as follows:

€ thousands	Shareholders' equity before restatements	Restatements	Shareholders' equity after restatements
Net intangible assets	3,388	17,569	20,957
Net property, plant and equipment	2,663	–	2,663
Net financial assets	–	–	–
Deferred tax assets	238	– 163	76
Inventory	6,608	– 1,144	5,464
Trade receivables	596	121	717
Other current and non-current receivables	2,105	1	2,106
Current financial assets	–	–	–
Cash and cash equivalents net	9,310	–	9,310
Non-current and current provisions	– 145	13	– 132
Employee benefits	–	–	–
Deferred tax liabilities	–	– 3,294	– 3,294
Non-current and current financial liabilities	– 28,905	– 879	– 29,784
Trade payables	– 7,299	–	– 7,299
Other non-current and current liabilities	– 8,485	1,354	– 7,131
Non-controlling interests	25,884	– 4,337	21,547
	5,958	**9,242**	**15,200**
	Acquisition price		100,833
	FINAL GOODWILL		**85,634**

The effect of these acquisitions on net cash flow is shown in the table below:

€ thousands	Fair value recognised at the date of acquisition Dooya
Goodwill	85,634
Net intangible assets	20,957
Net property, plant and equipment	2,663
Net financial assets	–
Other non-current receivables	22
Deferred tax assets	75
Inventory	5,464
Trade receivables	717
Other current receivables	2,084
Current tax assets	–
Other current financial assets	–
Cash and cash equivalents net	9,310
Tax receivable	–
Non-current provisions	– 53
Other non-current financial liabilities	– 29,784
Other non-current liabilities	–
Employee benefits	–
Deferred tax liabilities	– 3,294
Current provisions	– 79
Other current financial liabilities	–
Trade payables	– 7,299
Other current liabilities	– 7,131
Current tax liabilities	–
Equity-accounted companies	–
Non-controlling interests & impact of put option on shareholders' equity	21,547
Acquisition cost	**100,833**
Less: cash acquired	– 9,310
Total	**91,523**
Other funding	–
NET CASH FLOW FROM ACQUISITIONS, NET OF CASH ACQUIRED	**91,523**

(+) Cash outflow

10. Goodwill

€ thousands	Value
AT 1 JANUARY 2010	**145,461**
Changes in scope of consolidation	90,514
Changes in foreign exchange rate	584
Other movements	– 1,566
Charge for impairment	– 6,003
AT 31 DECEMBER 2010	**228,990**
Changes in scope of consolidation	2,437
Changes in foreign exchange rate	2,605
Other movements*	– 2,785
Charge for impairment	– 6,360
AT 31 DECEMBER 2011	**224,887**

** Of which -€2.2 million related to Pujol's revised goodwill.*

The opening goodwill was reduced by €9.2 million following the final allocation of the acquisition price of Dooya and the recognition of an earn-out clause granted to holders of non-controlling interests.

Break down of goodwill by major CGU at 31 December 2011

€ thousands	Gross value	Impairment	Net value
BFT	93,512	– 670	92,842
O&O	6,864	– 4,100	2,765
Cotherm	8,485		8,485
Zurflüh-Feller	17,144		17,144
Sirem	7,985	– 2,000	5,985
Domis	1,091		1,091
Pujol	5,680		5,680
Dooya	88,672		88,672
LianDa	8,756	– 8,756	0
Simu	1,862		1,862
Energy Eye	945	– 945	0
Other	631	– 269	362
TOTAL	**241,628**	**– 16,741**	**224,887**

11. Intangible assets

€ thousands	Allocated intangible assets	Development costs	Patents and brands	Software	Other	In progress and advance payment	Total
Gross value at 1 January	54,091	17,355	6,204	31,352	1,580	4,915	115,497
Acquisitions	–	18	314	1,198	57	5,080	6,667
Disposals	–	– 319	– 20	– 199	– 24	–	– 563
Effect of change in foreign exchange rates	1,532	– 1	290	5	– 7	3	1,823
Change in scope of consolidation	641	–	–	–	–	–	641
Other movements	7	2,789	– 218	2,069	23	– 4,654	16
AT 31 DECEMBER 2011	**56,271**	**19,842**	**6,571**	**34,426**	**1,628**	**5,344**	**124,082**
Accumulated amortisation at 1 January	– 6,862	– 8,655	– 1,243	– 23,319	– 1,374	–	– 41,454
Amortisation charge for the year	– 4,363	– 2,808	– 240	– 2,499	– 304	–	– 10,213
Disposals	–	319	20	186	–	–	525
Effect of change in foreign exchange rates	– 305	–	-13	– 6	2	–	– 322
Change in scope of consolidation	–	–	–	–	–	–	–
Other movements	–	– 101	– 412	– 6	513	–	– 5
AT 31 DECEMBER 2011	**– 11,530**	**– 11,244**	**– 1,888**	**– 25,644**	**– 1,163**	**–**	**– 51,469**
NET AMOUNT AT 31 DECEMBER 2011	**44,741**	**8,598**	**4,683**	**8,782**	**466**	**5,344***	**72,614**

** Of which €4,684 thousand is in-progress development costs.*

€ thousands	Allocated intangible assets	Development costs	Patents and brands	Software	Other	In progress and advance payment	Total
Gross value at 1 January	35,216	15,114	2,421	30,229	1,236	4,474	88,690
Acquisitions	185	139	117	1,714	346	4,169	6,669
Disposals	–	– 1,243	–	– 895	– 55	–	– 2,193
Effect of change in foreign exchange rates	398	–	1	143	8	7	557
Change in scope of consolidation	18,292	13	3,437	54	–	–	21,797
Other movements	–	3,333	228	107	45	– 3,735	– 22
AT 31 DECEMBER 2010	**54,091**	**17,355**	**6,204**	**31,352**	**1,580**	**4,915**	**115,497**
Accumulated amortisation at 1 January	– 4,454	– 6,711	– 797	– 21,396	– 1,168	–	– 34,527
Amortisation charge for the year	– 2,268	– 3,468	– 92	– 2,611	– 249	–	– 8,688
Disposals	–	1,243	–	796	49	–	2,088
Effect of change in foreign exchange rates	– 141	–	–	– 100	-5	–	– 246
Change in scope of consolidation	–	–	– 74	– 28	–	–	– 101
Other movements	–	280	– 280	19	–	–	19
AT 31 DECEMBER 2010	**– 6,862**	**– 8,655**	**– 1,243**	**– 23,319**	**– 1,374**	**–**	**– 41,454**
NET AMOUNT AT 31 DECEMBER 2010	**47,229**	**8,700**	**4,962**	**8,033**	**205**	**4,915***	**74,043**

** Of which €3,522 thousand is in-progress development costs.*

Development expenses fulfilling the criteria of IAS 38 are capitalised and deemed as internally-generated intangible assets. At 31 December 2011, their gross value was €24,526 thousand, of which €4,684 thousand was in progress.

The amount of research and development expenses recognised during the year was €50.2 million (net of fixed asset production).

There are no contractual commitments to purchase intangible assets.

Allocated net intangible assets comprised €39.8 million in customer relationships, €1.7 million in patents and €3.2 million in brands (indefinite life) at 31 December 2011.

12. Property, plant and equipment

12.1. Property, plant and equipment by type

€ thousands	Land	Buildings	Plant, machinery and tools	Other	In progress and advance payment	Total
Gross value at 1 January	18,411	123,514	230,056	50,463	6,861	429,305
Acquisitions	10	822	9,703	6,069	21,663	38,267
Disposals	–	– 81	– 2,018	– 2,988	–	– 5,087
Effect of change in foreign exchange rates	10	59	828	246	504	1,648
Change in scope of consolidation	–	–	11	108	–	119
Other movements	158	2,214	8,263	476	– 11,126	– 16
AT 31 DECEMBER 2011	**18,589**	**126,528**	**246,843**	**54,373**	**17,902**	**464,235**
Accumulated depreciation at 1 January	– 350	– 43,764	– 147,833	– 33,227	–	– 225,173
Depreciation charge for the year	-97	– 5,154	– 17,257	– 5,260	–	– 27,769
Disposals	–	45	1,457	2,619	–	4,121
Effect of change in foreign exchange rates	–	– 51	– 337	– 160	–	– 548
Change in scope of consolidation	–	–	– 9	– 49	–	– 58
Other movements	–	– 13	– 82	97	–	2
AT 31 DECEMBER 2011	**– 447**	**– 48,936**	**– 164,061**	**– 35,981**	**–**	**– 249,425**
NET AMOUNT AT 31 DECEMBER 2011	**18,142**	**77,591**	**82,783**	**18,393**	**17,902**	**214,810**

€ thousands	Land	Buildings	Plant, machinery and tools	Other	In progress and advance payment	Total
Gross value at 1 January	18,255	127,190	233,152	44,022	6,527	429,147
Acquisitions	96	1,557	9,394	6,781	5,360	23,188
Disposals	–	– 1,461	– 8,007	– 2,422	–	– 11,890
Effect of change in foreign exchange rates	54	373	703	1,184	72	2,385
Change in scope of consolidation	– 94	– 4,872	– 167	581	790	– 3,762
Other movements	100	726	– 5,019	318	– 5,888	– 9,763
AT 31 DECEMBER 2010	**18,411**	**123,514**	**230,056**	**50,463**	**6,861**	**429,305**
Accumulated depreciation at 1 January	– 252	– 41,167	– 148,623	– 29,395	–	– 219,437
Depreciation charge for the year	– 37	– 5,220	– 16,846	– 5,017	–	– 27,120
Disposals	–	792	7,093	2,138	–	10,023
Effect of change in foreign exchange rates	–	– 283	– 381	– 723	–	– 1,387
Change in scope of consolidation	–	2,176	1,185	– 376	–	2,984
Other movements	– 61	– 60	9,739	146	–	9,764
AT 31 DECEMBER 2010	**– 350**	**– 43,764**	**– 147,833**	**– 33,227**	**–**	**– 225,173**
NET AMOUNT AT 31 DECEMBER 2010	**18,061**	**79,750**	**82,223**	**17,237**	**6,861**	**204,132**

There is no significant property, plant and equipment (buildings, machinery and tools) in continuing use, which has a net book value of zero.

There are no contractual commitments to purchase property, plant and equipment.

12.2. Property, plant and equipment under finance leases

€ thousands	31/12/11	31/12/10
Gross value		
Land	9,428	10,097
Buildings	45,754	58,556
Buildings in progress	1,597	18
Plant, machinery and tools	21,649	21,901
TOTAL	**78,427**	**90,572**
Accumulated depreciation		
Land	–	–
Buildings	– 11,410	– 17,788
Plant, machinery and tools	– 12,072	– 10,543
TOTAL	**– 23,482**	**– 28,331**
NET AMOUNT AT 31 DECEMBER	**54,945**	**62,241**

The maturity profile of non-discounted and discounted minimum payments on finance leases is as follows:

€ thousands	Liabilities 2011 undiscounted	2011 Liabilities discounted
Less than 1 year	4,626	4,096
Between 1 and 5 years	13,909	12,380
More than 5 years	6,821	5,843
TOTAL	**25,355**	**22,318**

€ thousands	Liabilities 2010 undiscounted	2010 Liabilities discounted
Less than 1 year	7,100	6,494
Between 1 and 5 years	13,555	12,074
More than 5 years	11,506	10,374
TOTAL	**32,162**	**28,942**

12.3. Sureties

A portion of the loan taken by Cotherm SAS (€1.9 million at 31 December 2011) intended to finance the extension of a building in Vinay, France, was secured on several buildings for the amount of €0.5 million.

13. Impairment tests

At 31 December 2011, as at every year-end or every time that indications of impairment exist, the Somfy Group, in compliance with the requirements of IAS 36, re-examined the value of goodwill associated with Cash Generating Units. The Group defines CGUs based on the manner from which it will obtain future economic benefits.

The recoverable value of the CGU is the higher of the fair value of its assets reduced by disposal costs and its value in use. The value in use is obtained using the Discounted Cash Flow method.

For the purpose of impairment tests, goodwill generated on the acquisition of Dooya has been allocated to each cash generating unit and group of cash generating units liable to derive economic benefits of this business combination.

The goodwill thus generated by assuming control over this company was allocated as follows:

- to the Dooya CGU, for the portion of economic benefits that are directly attributable to it. This goodwill is monitored in the local currency;
- to a combination of CGUs belonging to the Somfy Activities division, for the portion of economic benefits that will flow to this CGU. This goodwill is monitored in Euro.

Cash flows are evaluated based on budgets and 3-year forecasts for companies which operate in a market they know and understand well. Generally these are companies whose strategies are not expected to change greatly. On the other hand, the period is extended to 5 years for companies in emerging markets, for which the growth potential and maturity are further away.

These cash flows have been projected over several years using specific growth rates which are consistent with the Group's historic growth rates. The growth rate used to project cash flows is consistent with the long term inflation rate relevant to the countries concerned.

The discount rate used corresponds to the weighted average cost of capital and reflects the expected return on invested capital (equity and liabilities necessary to finance operations). It is calculated based on the financial data extracted from a sample of comparable companies, comprising listed companies operating in the same business segment as the companies to be valued. Risk is mainly taken into account on a cash flow level.

In 2010 and 2011, cash flow discount rates were 10% to 11.5% for European companies and 13% for the Chinese companies (12.2% in 2010).

The main assumptions used by CGUs are specified in the following table:

€ thousands	Gross value	Impairment	Net value	Discount rate	Rate of growth to infinity
BFT	93,512	– 670	92,842	10%	2%
O&O	6,864	– 4,100	2,765	10%	2%
Cotherm	8,485	–	8,485	10.5%	2%
Zurflüh-Feller	17,144	–	17,144	10%	2%
Sirem	7,985	– 2,000	5,985	10%	2%
Domis	1,091	–	1,091	10%	2%
Pujol	5,680	–	5,680	10%	2%
Dooya	88,672	–	88,672	13%	2.5%
LianDa	8,756	– 8,756	–	–	–
Simu	1,862	–	1,862	10%	2%
Energy Eye	945	– 945	–	–	–
Other	631	– 269	362	10%	2%
TOTAL FULLY-CONSOLIDATED COMPANIES	**241,628**	**– 16,741**	**224,887**	**–**	**–**

The outlook for O&O, a subsidiary of BFT SpA, has deteriorated compared to the acquisition Business Plan. Goodwill was impaired for 60% of its value, i.e. €4.1 million.

The outlook for short and medium-term profit growth led to a review of the Business Plan of Pujol. Since this acquisition was made before the application of revised IFRS 3, a goodwill impairment of €2.2 million was recognised, offset by the waiver of the earn-out clause.

After indications of impairment were identified, the equity value of Oxygen (Astélia) was written down by €0.5 million.

The outlook for Yorkshire Technology has deteriorated. Goodwill was written down in full for €0.3 million.

Following the persisting difficulties encountered by one of its subsidiaries, whose results fall short of its Business Plan, the goodwill of Sirem (a Somfy Participations company) was written down by €2.0 million.

During the 2010 financial year, impairment tests gave rise to the recognition of a –€4.4 million impairment on LianDa (thus bringing the value of goodwill down to nil), the full impairment of SACS's goodwill (–€0.7 million) and Energy Eye (–€0.9 million), all of them Somfy Activities companies, and –€5.8 million for CIAT, an equity-accounted company belonging to Somfy Participations.

No indication of impairment was noted on other Group CGUs at 31 December 2011.

Furthermore, no indication of impairment was noted over the financial year in relation to assets with an unspecified life whose use is independent from other assets.

Sensitivity analysis

The Group conducted sensitivity analyses on the results of impairment tests using different assumptions for EBITDA ratio and discount rate.

Analyses of the sensitivity of calculations to assumptions considered individually, including changes deemed reasonably possible in these assumptions, have highlighted scenarios where the recoverable value would fall below the book value of assets subject to the tests, therefore requiring additional impairment of the latter:

- as the Pujol Group primarily operates in Southern Europe, an increase of one or two percentage points in the discount rate would have required an additional writedown of –€1.5 million and –€2.7 million, respectively. Risk is taken into account on a cash flow level.
  A one or two percentage point decline in the EBITDA to sales ratio of the last year used for the calculation of the terminal value would have required an additional writedown of –€0.6 million or –€1.2 million, respectively, at 31 December 2011;
- the goodwill of O&O was impaired by €4.1 million at 31 December 2011; a one percentage point increase in the discount rate would have required an additional writedown of €0.8 million.
  A one percentage point decline in the EBITDA to sales ratio would have required an additional writedown of €0.4 million;
- as the Gaviota Group primarily operates in Southern Europe, an increase of one percentage point in the discount rate used (11.5%) would have required an additional writedown of –€2.3 million.
  A one percentage point decline in the EBITDA to sales ratio of the last year used for the calculation of the terminal

value would have required an additional writedown of –€1.3 million at 31 December 2011;
- the goodwill of Sirem Group was impaired by €2.0 million; a one percentage point increase in the discount rate would have required an additional writedown of –€2.2 million at 31 December 2011. A one percentage point decline in the EBITDA to sales ratio used for the calculation of the terminal value would have required an additional writedown of –€1.2 million;
- the CIAT Group remains sensitive to the various parameters, as a one percentage point increase in the discount rate would have required an additional writedown of –€8 million at 31 December 2011.

Impairment tests carried out on the value in use of the assets of other CGUs (+/– 1 percentage point change in the discount rate and +/– 1 point change in the EBITDA to sales ratio) did not provide any indication of impairment.

14. Equity-accounted companies

€ thousands	31/12/11	31/12/10
Equity-accounted companies at the beginning of the year	48,625	58,647
Change in scope of consolidation and other*	65,096	1,908
Share of profit of equity-accounted companies	44	– 5,785
Dividends paid	– 186	– 372
Changes in foreign exchange rate	41	27
Charge for impairment**	1,388	– 5,800
EQUITY-ACCOUNTED COMPANIES AT THE END OF THE YEAR	**115,008**	**48,625**

** Acquisition of 47.23% of the Pellenc Group and of 40% of STOR'M in 2011, disposal of Firstinnov.*
*** -€0.5 million for Oxygen (Astélia) and €1.9 million (reversal) for Firstinnov in 2011.*

€ thousands	31/12/11	31/12/10
CIAT held at 40%		
Sales	297,480	271,744
Current operating result	5,501	– 9,332
Net profit/(loss) (Group share)	2,479	– 26,532
Total assets	311,949	316,619
Equity-accounted value	28,794	27,821

€ thousands	31/12/11	31/12/10
Gaviota Simbac held at 46.5%		
Sales	56,811	57,107
Current operating result	3,400	4,217
Net profit/(loss) (Group share)	1,567	2,130
Total assets	65,197	64,567
Equity-accounted value	19,842	19,333

Somfy Participations made an equity investment of 47.23% in the capital of **Pellenc** for €64.9 million. This company has been equity-accounted from 31 December 2011. Therefore, this acquisition had no impact on the income statement for the 2011 financial year. Provisional goodwill of €21.8 million will be allocated during 2012. For information, this company as a whole generated sales of about €114.2 million in 2011.

15. Financial assets

€ thousands	31/12/11	31/12/10
Available-for-sale financial assets	132,200	137,293
*– Non-consolidated shares**	*132,200*	*137,293*
– Marketable securities	–	–
Bonds**	76,831	58,110
Loans***	6,801	8,780
Other	3,564	2,791
NON-CURRENT AND CURRENT FINANCIAL ASSETS	**219,396**	**206,974**
Due within one year	1,997	1,902
NON-CURRENT FINANCIAL ASSETS	**217,399**	**205,071**

** The €2.7 million equity investment in Babeau Seguin was sold during the financial year, the value of the investment in FAAC was written down by -€4.0 million and Somfy made an investment of €1.6 million in a fund.*
***Somfy underwrote a subordinated bond (mezzanine) issued by CIAT with a nominal value of €48.0 million to be repaid in 2016. Capitalised interest amounted to €4.7 million in 2011 and €4.4 million in 2010. At 31 December 2011, the receivable amounted to €62.8 million.*
Somfy SA also subcribed in convertible and conventional bonds issued by Garen Automaçao for €11.1 million and €2.5 million, respectively.
**** Including a 3-year loan granted by Somfy SA to CIAT with a nominal value of €5.0 million. Capitalised interest amounted to €0.1 million in 2011 and 2010.*

Non-controlling interests notably include a 34% investment in the share capital of FAAC, valued at €128.0 million (level 3 as defined by IFRS 7, average of the value obtained using the market peer valuation method and the value obtained using the discounted cash flow method).

Financial assets available-for-sale and marketable securities are recorded at fair value.

Financial assets realisable within one year comprise short term deposits and loans to companies over which Somfy has significant influence.

"Other" essentially includes deposits and guarantees.

16. Other non-current receivables

The increase in this heading is primarily due to the recognition of the €8.7 million outstanding balance on the agta record selling price, which is to be collected by early 2013 at the latest.

17. Inventories

€ thousands	31/12/11	31/12/10
Gross		
Raw materials and other supplies	55,000	46,687
Finished goods and merchandise	94,640	82,570
Total	**149,640**	**129,257**
Provisions	**– 10,736**	**– 10,681**
NET	**138,904**	**118,576**

€ thousands	Value 31/12/10	Net charges	Exchange rate movement	Other movements	Value 31/12/11
Inventory provisions	– 10,681	4	– 49	– 11	– 10,736

18. Trade receivables

€ thousands	31/12/11	31/12/10
Gross value	155,370	151,114
Provision	– 10,754	– 8,991
NET VALUE	**144,616**	**142,123**

€ thousands	Value 31/12/10	Charges	Used reversals	Unused reversals	Exchange rate movements	Other movements	Value 31/12/11
Customers provisions	– 8,991	– 3,147	1,101	364	23	– 104	– 10,754

At 31 December, the maturity profile of trade receivables is as follows:

€ thousands	Not overdue	Overdue between				Total
		0 to 3 months	3 to 6 months	6 to 9 months	Greater than 9 months	
Customers	110,102	21,031	12,744	3,707	7,786	155,370

There is limited customer credit risk on Spanish, Portuguese and Greek subsidiaries.

Credit insurance contracts, both in France and internationally, mitigate the consequences of customer default. Approximately 60% of sales are covered by such contracts.

19. Other receivables

€ thousands	31/12/11	31/12/10
Gross value		
Receivables from employees	1,018	618
Other taxes (including VAT)	8,184	6,333
Prepaid expenses	7,267	5,165
Other receivables	4,386	3,679
TOTAL	**20,855**	**15,795**

Other receivables classed as "current" are receivables due in less than one year.

20. Cash and cash equivalents

€ thousands	31/12/11	31/12/10
Cash	57,625	52,111
Cash equivalents	14,220	34,882
CASH AND CASH EQUIVALENTS	**71,845**	**86,993**

Cash equivalents include deposits with a maturity of less than 3 months and Euro money market funds.

21. Assets held for sale

Following the announcement of the planned disposal in the second half of 2010, agta record shares were reclassified as assets held for sale at 31 December 2010 according to IFRS 5, for an amount of €109.8 million.

Early in February 2011, Somfy Participations sold its 32.95% equity investment in agta record to Assa Abloy. The value of the transaction was €109.8 million, of which €101.1 million has already been collected, with the balance of €8.7 million to be paid early in 2013 at the latest. The €63.1 million capital gain, net of related costs, was recognised as financial income during the period.

22. Provisions

22.1. Non-current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provision for employee liability	Provisions for risks and charges	Total 2011
At 1 January	3,487	1,279	907	2,870	8,543
Provision charges	561	255	43	442	1,301
Used reversals	–	– 253	– 16	– 293	– 562
Unused reversals	–	– 109	–	– 39	– 148
Impact of variations in foreign exchange rates	30	–	–	31	61
Other movements	4	–	–	– 4	–
AT 31 DECEMBER	**4,083**	**1,172**	**934**	**3,007**	**9,196**

The net reversals (used and unused) impact current operating result by a negative €863 thousand and other operating income and expenses by a positive €561 thousand.

22.2. Current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provisions for risks and charges	Total 2011
At 1 January	3,874	2,080	2,715	8,669
Provision charges	638	3,935	710	5,283
Used reversals	–	– 718	– 1,853	– 2,571
Unused reversals	–	– 447	– 197	– 644
Impact of variations in foreign exchange rates	34	7	15	57
Other movements	–	–	–	–
AT 31 DECEMBER	**4,546**	**4,857**	**1,390**	**10,794**

The increase in current provisions reflects the attention the Group pays to quality assurance.

The net reversals (used and unused) impact current operating result by a negative €3.797 thousand and other operating income and expenses by a positive €638 thousand.

23. Financial liabilities

23.1. Analysis by category

€ thousands	31/12/11	31/12/10
Borrowings from credit institutions	88,570	121,193
Lease commitments	22,318	28,942
Other borrowings and financial liabilities*	50,187	40,753
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**161,075**	**190,887**
Due within one year	84,104	86,345
NON-CURRENT FINANCIAL LIABILITIES	**76,972**	**104,542**

** Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €40.3 million in 2011 and €40.5 million in 2010.*

23.2. Analysis by maturity

€ thousands	31/12/11	31/12/10
Less than one year	84,104	86,345
Between 1 to 5 years*	39,781	56,044
More than 5 years*	37,191	48,498
TOTAL	**161,075**	**190,887**

** Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €40.3 million in 2011 and €40.5 million in 2010.*

23.3. Analysis by rate

€ thousands		31/12/11	31/12/10
Variable rate	*€64.2 million swaps*	106,472	141,959
Fixed rate		4,499	8,212
Non-interest bearing*		50,104	40,716
TOTAL		**161,075**	**190,887**

** Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €40.3 million in 2011 and €40.5 million in 2010.*

Debt is essentially at a variable rate, the fair value is not significantly different from the book value.

23.4. Analysis by currency

€ thousands	31/12/11	*31/12/10*
Euros*	121,145	155,679
USD	3	19
Other*	39,927	35,189
TOTAL	**161,075**	**190,887**

** Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €40.3 million in 2011 and €40.5 million in 2010.*

23.5. Secured liabilities

At 31 December 2011, the shares of target companies were pledged against Somfy SA liabilities entered into within the framework of LBOs representing €38.2 million.

Furthermore, the loan (€2.4 million) which Cotherm entered into to finance the extension of its building in Vinay was the object of:
- a €0.5 million guarantee granted by a third party (Somudimec);
- a mortgage over various buildings for an amount of €0.5 million.

23.6. Covenants

At 31 December 2011, Somfy SA had a total of €111.0 million medium-term loan facilities (confirmed credit lines) with 6 banks, of which €31.2 million had been drawn. Funds made available by the credit institutions are subject to Somfy's SA commitment to comply with financial covenants based on the Group's financial structure (financial debt/shareholder's equity ratio) and its ability to repay (financial debt/self-financing capacity).

Somfy SA was in compliance with all of these covenants at 31 December 2011.

Since 2006, Somfy has completed three acquisitions within the framework of leveraged buy-outs which are fully consolidated into the Somfy financial statements. Each loan entered into with credit institutions is subject to compliance with contractually agreed covenants. At 31 December 2011, Zurflüh-Feller was in compliance with its covenants. Conversely, Sirem and Cotherm did not comply with certain covenants at the 2011 year-end. Cotherm obtained a waiver from the banks concerned at 31 December 2011. Sirem's debt is classified as a non-current financial liability.

At 31 December 2011, CIAT, a 40%-owned equity-accounted company, complied with its covenants.

24. Analysis of net financial debt

€ thousands	31/12/11	31/12/10
Financial liabilities*	161,075	190,887
Financial assets	73,519	67,876
*– Unlisted bonds receivable***	*65,307*	*58,110*
*– Loans****	*6,801*	*8,780*
– Other	*1,411*	*986*
Cash and cash equivalents	71,845	86,993
NET FINANCIAL DEBT	**15,711**	**36,019**
NET FINANCIAL DEBT BEFORE UNLISTED BONDS RECEIVABLE	**81,018**	**94,129**

(-) Net financial surplus

** Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €40.3 million in 2011 and €40.5 million in 2010.*
*** Somfy SA underwrote a subordinated bond (mezzanine) issued by CIAT with a nominal value of €48.0 million to be repaid in 2016. Capitalised interest amounted to €4.7 million in 2011 and €4.4 million in 2010. At 31 December 2011, this represented a receivable of €62.8 million.*
Somfy SA also underwrote conventional bonds issued by Garen Automaçao for €2.5 million.
Convertible bonds are excluded from the calculation of net financial debt.
**** Including a 3-year loan granted by Somfy SA to CIAT with a nominal value of €5.0 million. Capitalised interest amounted to €0.1 million in 2011 and 2010.*

25. Financial instruments recognised in the balance sheet

€ thousands	Amount at 31/12/11	Loans and receivables	Available-for-sale assets *(Fair value recognised in reserves)*	Held for trading *(Fair value recognised in income)*	Fair value *(Fair value recognised in reserves)*	Fair value *(Fair value recognised in income)*
Assets						
Non-current financial assets	217,399	85,199	132,200	–	–	–
Current financial assets	1,997	1,997	–	–	–	–
Current derivative instruments	–	–	–	–	–	–
Cash and cash equivalents	71,845	68,293	–	3,552	–	–
Liabilities						
Non-current liabilities	76,972	44,140	–	–	32,831	–
Non-current derivative instruments	2,570	–	–	–	1,740	829
Current financial liabilities	84,104	76,625	–	–	7,479	–
Current derivative instruments	1,646	–	–	–	1,540	106

€ thousands	Amount at 31/12/10	Loans and receivables	Available-for-sale assets *(Fair value recognised in reserves)*	Held for trading *(Fair value recognised in income)*	Fair value *(Fair value recognised in reserves)*	Fair value *(Fair value recognised in income)*
Assets						
Non-current financial assets	205,071	67,778	137,293	–	–	–
Current financial assets	1,902	1,902	–	–	–	–
Current derivative instruments	–	–	–	–	–	–
Cash and cash equivalents	86,993	79,633	–	7,360	–	–
Liabilities						
Non-current liabilities	104,542	64,010	–	–	40,532	–
Non-current derivative instruments	3,210	–	–	–	1,955	1,255
Current financial liabilities	86,345	86,345	–	–	–	–
Current derivative instruments	1,506	–	–	–	1,073	433

The method for determining the fair value of non-current financial assets (non-consolidated shares) is disclosed in note 15.

The fair value of derivative instruments and cash equivalents is established with reference to observable market data (level 2 defined by IFRS 7).

There has been no change in valuation method for any category during the period.

26. Risk management

Foreign exchange risk

Somfy is primarily exposed to foreign exchange risk through intragroup sales of products manufactured in France (these sales are denominated in local currencies).

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

Foreign currency-denominated assets represent 12% of total assets at 31 December 2011. Consequently, a variation in foreign exchange rates would not have a significant effect on total assets.

Derivative financial instruments principally consist of forward exchange contracts.

Since 1 July 2010, Somfy Group has applied hedge accounting to foreign currency hedging instruments. The effective portion of fair value movements was therefore taken to equity and the ineffective portion was recognised in financial income/(loss).

The impact of the effective portion of hedgings on equity at 31 December 2011 was €5 thousand (€22 thousand net of deferred tax) and the impact on profit and loss was a negative €472 thousand (transfer from equity).

The ineffective portion of hedgings amounted to a negative €11 thousand at 31 December 2011, compared to a negative €429 thousand at 31 December 2010, resulting in a positive impact of €418 thousand on the income statement.

31/12/11	Hedging of balance sheet items	Hedging of off-balance sheet items	Total *€ thousands*	Fair value *€ thousands*	Types
AUD	1,718	969	2,686	– 338	Forward contracts
CAD	417	366	784	– 31	Forward contracts
CHF	1,527	6,884	8,411	124	Forward contracts
GBP	573	691	1,264	– 52	Forward contracts
HKD	1,518	749	2,267	– 199	Forward contracts
ILS	568	1,207	1,775	– 19	Forward contracts
JPY	117	–	117	– 17	Forward contracts
KRW	780	759	1,539	– 25	Forward contracts without delivery
PLN	3,414	–	3,414	169	Forward contracts
SEK	1,017	893	1,909	– 46	Forward contracts
SGD	406	237	643	– 23	Forward contracts
USD	3,751	9,186	12,937	– 1,095	Forward contracts
	15,805	**21,940**	**37,745**	**– 1,551**	

31/12/10	Hedging of balance sheet items	Hedging of off-balance sheet items	Total *€ thousands*	Fair value *€ thousands*	Types
AUD	1,656	5,260	6,916	– 733	Forward contracts
CAD	412	1,000	1,412	– 26	Forward contracts
CHF	1,167	7,612	8,779	– 735	Forward contracts
GBP	427	1,704	2,131	15	Forward contracts
HKD	1,013	764	1,777	54	Forward contracts
HUF	146	–	146	3	Forward contracts
JPY	1,017	501	1,518	– 13	Forward contracts
KRW	–	887	887	– 9	Forward contracts without delivery
PLN	1,634	1,877	3,511	4	Forward contracts
SEK	345	3,787	4,132	– 165	Forward contracts
SGD	166	978	1,143	– 25	Forward contracts
TRY	–	451	451	21	Forward contracts
USD	1,464	5,066	6,530	106	Forward contracts
	9,446	**29,886**	**39,333**	**– 1,502**	

Interest rate risk

The majority of the Group companies' financial liabilities are at variable rate. Interest rate hedgings had a nominal value of €64.2 million at 31 December 2011, compared to €64.1 million at 31 December 2010.

Liabilities entered into within the framework of LBOs are hedged in conformity with contractual obligations.

The fair value of swaps represented a net liability of €2,570 thousand in 2011, compared to a net liability of €3,210 thousand in 2010, being a positive impact of €425 thousand on net financial income and of €215 thousand on reserves.

The Group does not hedge fixed rates against variable rates.

Liquidity risk

Group financing essentially relies upon leases and medium-term credit facilities which have been used for acquisitions made by Somfy Participations.

The Group does not use any revolving credit facilities and does not securitize its assets.

The Group avails of confirmed medium-term bank facilities, which have not been drawn to date.

Investment risk

Given the composition of its marketable securities portfolio, the Group is not exposed to share price fluctuation.

Credit risk

The maximum exposure to credit risk corresponds to the gross value of the assets concerned.

27. Employee benefits

In respect of pension plan commitments, the Group contributes to pension plans or grants benefits to employees on retirement in compliance with the rules and regulations in place in each country.

The Group recognises actuarial gains and losses in reserves, net of deferred tax, in accordance with the method referred to in IAS 19 "Employee benefits – Actuarial gains and losses, group plans and disclosures".

At 31 December 2011, actuarial differences recognised in reserves amounted to a negative €3,452 thousand (i.e. a negative €5,439 thousand in "employee benefit commitments" and a positive €1,987 thousand in deferred tax).

Movements between 2010 and 2011 can be analysed as follows:

Retirement benefits – France

€ thousands	Projected benefit obligation	Plan assets	Net opening obligation	Balance sheet position	Past service cost
31 DECEMBER 2010	**10,959**	**– 4,146**	**6,813**	**5,992**	**821**
Net expenses for the period:	1,114	– 132	982	1,187	-205
– Current service cost and financial cost	*1,114*	–	*1,114*	*1,114*	–
– Return on plan assets	–	*– 132*	*– 132*	*– 132*	–
– Amortisation of actuarial gains and losses and past service cost	–	–	–	*205*	*– 205*
– Employee contributions	–	–	–	–	–
Contributions paid	–	5	5	5	-
Benefits paid	– 145	124	– 21	– 21	–
Actuarial gains & losses / Past service cost	– 66	33	– 33	– 34	1
Movements in foreign exchange rates	–	–	–	–	–
Movements in scope of consolidation	23	– 23	–	–	–
31 DECEMBER 2011	**11,885**	**– 4,139**	**7,746**	**7,129**	**617**

€ thousands	Projected benefit obligation	Plan assets	Net opening obligation	Balance sheet position	Past service cost
31 DECEMBER 2009	**9,872**	**– 5,234**	**4,638**	**3,898**	**740**
Net expenses for the period:	985	– 150	835	995	– 160
– Current service cost and financial cost	*985*	–	*985*	*985*	–
– Return on plan assets	–	*– 150*	*– 150*	*– 150*	–
– Amortisation of actuarial gains and losses and past service cost	–	–	–	*160*	*– 160*
– Employee contributions	–	–	–	–	–
Contributions paid	–	– 200	– 200	– 200	–
Benefits paid	– 987	982	– 5	– 5	–
Actuarial gains & losses / Past service cost	1,400	105	1,505	1,264	241
Movements in foreign exchange rates	–	–	–	–	–
Movements in scope of consolidation	– 311	351	40	40	–
31 DECEMBER 2010	**10,959**	**– 4,146**	**6,813**	**5,992**	**821**

Retirement benefits – Other

€ thousands	Projected benefit obligation	Plan assets	Net opening obligation	Balance sheet position
31 DECEMBER 2010	**21,150**	**– 16,950**	**4,200**	**4,200**
Net expenses for the period:	3,036	– 1,996	1,040	1,040
– Current service cost and financial cost	*3,036*	–	*3,036*	*3,036*
– Return on plan assets	–	*– 1,981*	*– 1,981*	*– 1,981*
– Amortisation of actuarial gains and losses	–	–	–	–
– Employee contributions	–	*– 15*	*– 15*	*– 15*
Contributions paid	–	– 958	– 958	– 958
Benefits paid	-760	442	– 318	– 318
Actuarial gains & losses	2,003	545	2,548	2,548
Movements in foreign exchange rates	491	– 224	267	267
Movements in scope of consolidation	–	–	–	–
31 DECEMBER 2011	**25,920**	**– 19,141**	**6,779**	**6,779**

€ thousands	Projected benefit obligation	Plan assets	Net opening obligation	Balance sheet position
31 DECEMBER 2009	**19,622**	**– 15,488**	**4,134**	**4,134**
Net expenses for the period:	1,379	– 530	849	849
– Current service cost and financial cost	*1,379*	–	*1,379*	*1,379*
– Return on plan assets	–	*– 436*	*– 436*	*– 436*
– Amortisation of actuarial gains and losses	–	–	–	–
– Employee contributions	–	*– 94*	*– 94*	*-94*
Contributions paid	–	– 955	– 955	– 955
Benefits paid	-898	495	– 403	– 403
Actuarial gains & losses	311	– 80	231	231
Movements in foreign exchange rates	736	– 392	344	344
Movements in scope of consolidation	–	–	–	–
31 DECEMBER 2010	**21,150**	**– 16,950**	**4,200**	**4,200**

Long service and jubilee awards

€ thousands	31/12/10	Cost	Benefits paid	Movement in scope of consolidation and foreign exchange rates	31/12/11
Discounted debt	1,427	27	– 26	4	1,432

€ thousands	31/12/09	Cost	Benefits paid	Movement in scope of consolidation and foreign exchange rates	31/12/10
Discounted debt	1,261	243	– 25	– 52	1,427

TFR – Trattamento di Fine Rapporto (Italian severance pay provision)

€ thousands	31/12/10	Cost	Benefits paid	Changes in scope of consolidation	31/12/11
Liabilities	2,956	1,019	– 1,351	–	2,624

€ thousands	31/12/09	Cost	Benefits paid	Changes in scope of consolidation	31/12/10
Liabilities	3,131	1,061	– 1,236	–	2,956

The impact of defined benefits on the income statement impacted employee expenses by €2,227 thousand.

The main actuarial assumptions used are as follows:

AT 31 DECEMBER	2011	2010
Discount rate		
France	4.0%	4.0%
Germany	4.0%	5.0%
United States	4.5%	6.0%
Other	3.5 - 4.6%	5.0 - 7.0%
Long-term yield expected from pension plan assets		
France	2.4 - 3.5%	2.4 - 4.4%
Germany	0.0%	5.0 - 6.0%
United States	6.0%	6.0%
Other	2.4 - 4.6%	2.4%
Future salary increases		
France	1.0 - 3.0%	1.0 - 3.0%
Germany	0.0%	1.0%
United States	2.0%	2.0%
Other	2.0 - 8.0%	1.6 - 3.0%

The sensitivity of the gross retirement benefit commitment based on a variation of +1%/–1% in discount rate is –14.2%/+17.9%, respectively.

At 31 December 2011, the Individual Training Right gave rise to the recognition of a provision of €938 thousand. Rights in respect of training were 201,287 hours at 31 December 2011, compared to 195,718 hours at the 2010 year end. The amount of hours during the year was insignificant.

28. Other liabilities

€ thousands	31/12/11	31/12/10
Social liabilities	55,181	55,406
Tax liabilities	9,594	9,208
Deferred income	504	996
Fixed assets suppliers	3,806	819
Other	7,053	6,416
TOTAL	**76,138**	**72,845**

Other liabilities classed as "current" are liabilities due in less than one year.

29. Share-based payments

In accordance with IFRS 2, share options are valued at market value at the date of allocation and subsequently amortised through the income statement over the vesting period (4 years) for all plans granted since 7 November 2002.

These transactions were valued using the Black & Scholes model, which calculates the fair value of the benefit granted to date and takes account of various parameters such as the share price, exercise price, expected volatility, expected dividends, risk free interest rate and the life of the option.

Annual amortisation is calculated by an external expert for the two plans concerned.

At 31 December 2011, the cost was €729 thousand and was recognised in employee expenses (€329 thousand in 2010).

Plan date	Number of beneficiaries	Number of options allocated originally	Adjusted number of options exercisable options*	Exercise price of option (€)	Option expiry date
31/03/06	9	36,200	6,157	185.00	31/03/14
02/04/08	97	29,550	26,150	155.00	31/01/14

** Adjustments following the separation of the Damart Group and following the exceptional distribution of reserves of 27 December 2005.*

Movements in share option plans in 2010 and 2011 are as follows:

	2011		2010	
	Number of options	Weighted average exercise price (€)	Number of options	Weighted average exercise price (€)
Unexercised options at 1 January	58,842	169.93	72,710	161.37
Options granted	–	–	–	–
Options cancelled	– 21,122	180.74	– 711	125.05
Options exercised	– 5,413	182.78	– 13,157	125.05
UNEXERCISED OPTIONS AT YEAR END	**32,307**	**160.72**	**58,842**	**169.93**
OPTIONS EXERCISABLE AT YEAR END	**6,157**	**185.00**	**29,292**	**185.00**

At 31 December 2011, unexercised option plans were as follows:

Plan date	Exercise price (€)	Number of unexercised options	Remaining life to option maturity (days)
31/03/06	185.00	6,157	821
02/04/08	155.00	26,150	762

30. Proposed dividends

	31/12/11	31/12/10
Total number of shares	7,836,800	7,836,800
Treasury shares	356,583	233,231
Par value	€1	€1
Proposed dividends	€5.20	€5.20

The voting right attached to shares is proportional to the capital that they represent. Each share carries the right to a single vote.

Certain shares are entitled to a double voting right, providing they are fully paid up and have been registered in nominative form for at least four years in the name of the same shareholder at the end of the calendar year preceding each General Meeting.

31. Analysis of cash flow statement

31.1. Cash and cash equivalents

€ thousands	31/12/11	31/12/10
CASH AT THE START OF THE YEAR	**84,919**	**66,974**
Cash and cash equivalents	86,993	67,872
Bank overdrafts	– 2,074	– 898
CASH AT THE END OF THE YEAR	**66,002**	**84,919**
Cash and cash equivalents	71,845	86,993
Bank overdrafts	– 5,843	– 2,074

31.2. Intangible assets and property, plant and equipment

Receivables and liabilities related to intangible assets and property, plant and equipment are included in investment activities in the cash flow statement and increased by €2.9 million at 31 December 2011, compared to a decrease of €0.5 million in 2010.

During 2011, the Group acquired intangible assets and property, plant and equipment totalling €44.9 million.

31.3. Change in working capital requirements

€ thousands	31/12/11	31/12/10
Net decrease/(increase) in inventory	– 17,990	– 10,964
Net decrease/(increase) in trade receivables	– 1,845	– 1,682
Net (decrease)/increase in trade payables	1,931	2,451
Net movement in other receivables and payables	– 4,955	3,009
CHANGE IN WORKING CAPITAL REQUIREMENTS	**– 22,859**	**– 7,187**

32. Off-balance sheet commitments

The Group's commitments comprise the following:

Commitments granted

€ thousands	31/12/11	31/12/10
Guarantees and pledges granted	1,086	1,208
Interest over the remaining terms of loans	7,522	10,034
Rental payments remaining on operating leases	22,919	21,404
Copper forward calls	6,496	5,337
Foreign currency forward calls	21,940	29,886
TOTAL	**59,964**	**67,869**

Interest over the remaining terms of loans is calculated only on those loans with known maturities and not on short-term credit facilities with ad-hoc drawings.

Commitments received

€ thousands	31/12/11	31/12/10
Guarantees, deposits and pledges received	24,990	20,609
Unused credit lines	89,718	145,661
TOTAL	**114,708**	**166,270**

Commitments to acquire additional shares of companies not fully-consolidated

In 2008, Somfy Participations made a 40% equity investment in CIAT. As regards the remaining 60%, the family shareholders hold a put option that may be exercised between 2 May 2012 and 30 June 2012. The acquisition price on the exercise date is the higher of the average EBITDA of the previous two financial years and the EBITDA of the previous financial year, less financial debt. Somfy itself holds a call option that may be exercised between 1 April 2013 and 30 April 2013.

In December 2011, Somfy Participations made an equity investment of 47.23% of the capital of Pellenc for €64.9 million. As this transaction involves a change of ownership, the agreement provides, as specified in the undertakings to sell and to purchase, for Somfy Participations to acquire all the shares by 2015, subject to the achievement of certain targets. Mr Pellenc holds a put option exercisable between 1 January 2014 and 31 December 2014. Somfy Participations holds a call option exercisable between 1 January 2015 and 30 June 2015.

In mid-May 2011, Somfy Activities finalised its agreement with the shareholders of Garen Automaçao, which will eventually provide the Group with the option of assuming control of this company. At this initial stage, Somfy's commitment is limited to the subscription in bonds issued by Garen, for €13.6 million (€11.1 million in convertible bonds and €2.5 million in conventional bonds, respectively). A 2016 call option and respective put option have been provided for by the contract for 100% of the share capital.

33. Environmental information

The majority of the production sites undertake assembly work only, which, by its nature, does not generate pollution. The Group is therefore not exposed to any significant environmental risk. Nevertheless, selective sorting procedures are adopted at each site and measures to reduce energy consumption (heating, electricity) have been implemented at the main production plant in Cluses, France.

As a result, no provision is required for environmental risk.

34. Employee information

34.1. Average headcount

Somfy Group's workforce at 31 December 2011, including temporary and part-time employees recorded on a full-time equivalent basis, was as follows:

	31/12/11	31/12/10
Average workforce	7,824	5,472

35. Related party disclosures

Related parties are:
- the parent company;
- companies which exert joint control or a significant influence over the company;
- subsidiaries;
- associates;
- joint ventures;
- members of the Management Board and the Management Committee.

35.1. Transactions with associates

Associates are companies over which the Group has a significant influence and which are consolidated using the equity method. Transactions with related parties are made on arm's length terms.

€ thousands	31/12/11	31/12/10
Sales	1,200	2,579
Other revenues	227	299
Purchase of goods	1,729	1,850
Other charges	7	34
Interest received	5,734	4,427
Trade receivables	1,937	2,249
Trade payables	357	491
Borrowings	5,593	6,361
Accrued interest	49	2
Bond loans	76,411	58,110

35.2. Gross remuneration of Management and Supervisory Board members

€ thousands	31/12/11	31/12/10
Short term benefits	1,748	1,818
Post employment benefits*	155	147
Share-based payments	46	58

** Including past service costs.*

Share-based payments represent the cost of the 2006 and 2008 share option plans.

Post-employment benefits relate to costs incurred in respect of the supplementary pension plan implemented in 2006 by CMC SARL from which two members of the Management Board benefit.

36. Post balance sheet events

At the end of February, Chinese authorities approved the acquisition of 15% of LianDa's share capital by **Somfy Activities**. As a result, Somfy's equity investment in this company rose to 95%.

37. Scope of consolidation

All the companies have a 31 December year-end.

Company name	Head office	% control 31/12/11	% interest 31/12/11	% interest 31/12/10
Somfy SA	74300 Cluses (France)	parent company	parent company	parent company
Fully-consolidated companies				
Somfy SAS	Cluses (France)	100.00	100.00	100.00
CMC SARL	Cluses (France)	100.00	100.00	100.00
Somfybat SNC	Cluses (France)	100.00	100.00	100.00
Domis SA	Rumilly (France)	100.00	100.00	100.00
SITEM SARL	Tunis (Tunisia)	100.00	100.00	100.00
SITEM Services	Tunis (Tunisia)	100.00	100.00	100.00
Somfy Ltd	Yeadon (UK)	100.00	100.00	100.00
PD Technology Ltd	Bradford (UK)	–	–	100.00
Yorkshire Technology	Bradford ((UK)	100.00	100.00	100.00
Kléréo SARL	Montesson (France)	49.00	49.00	49.00
Somfy PTY Ltd	Rydalmere (Australia)	100.00	100.00	100.00
Somfy Automation Services PTY	Rydalmere (Australia)	100.00	100.00	100.00
NV Somfy SA	Zaventem (Belgium)	100.00	100.00	100.00
Somfy Brazil LTDA	Sao Paulo (Brazil)	100.00	100.00	100.00
Somfy GmbH	Rottenburg (Germany)	100.00	100.00	100.00
Somfy GmbH	Elsbethen-Glasenbach (Austria)	100.00	100.00	100.00
Somfy KFT	Budapest (Hungary)	100.00	100.00	100.00
Somfy Sp zoo	Warsaw (Poland)	100.00	100.00	100.00
Somfy Spol sro	Praha (Czech Republic)	100.00	100.00	100.00
SC Somfy SRL	Brasov (Romania)	100.00	100.00	100.00
Somfy Russie LLC	Moscow (Russia)	100.00	100.00	100.00
Somfy Latvia SIA	Riga (Latvia)	100.00	100.00	100.00
Somfy Bulgaria AD	Sofia (Bulgaria)	100.00	100.00	100.00
Somfy Joo	Seoul (Korea)	100.00	100.00	100.00
Somfy Italia SRL	Trezzano sul Naviglio (Italy)	100.00	100.00	100.00
Somfy BV	Hoofddorp (Netherlands)	100.00	100.00	100.00
Somfy Espana SA	Barcelona (Spain)	100.00	100.00	100.00
Automatismos Pujol SL	Barcelona (Spain)	100.00	100.00	100.00
Pujol Redutores de Velocidade LDA	Esmoriz (Portugal)	100.00	100.00	100.00
Sistemi Automatici Pujol SRL	Pavona (Italy)	100.00	100.00	100.00
Somfy Systems Inc.	Cranbury NJ (United States)	100.00	100.00	100.00
Somfy AG	Bassersdorf (Switzerland)	100.00	100.00	100.00
Somfy AB	Limhamn (Sweden)	100.00	100.00	100.00
Somfy PTE Ltd	Singapore	100.00	100.00	100.00
Somfy Taiwan Co Ltd	Taipei (Taiwan)	100.00	100.00	100.00
Dooya China	Ningbo (China)	70.00	70.00	70.00

Company name	Head office	% control 31/12/11	% interest 31/12/11	% interest 31/12/10
Somfy Co Ltd	Hong-Kong	100.00	100.00	100.00
Somfy China Ltd	Shanghai (China)	100.00	100.00	100.00
LianDa	Zhejiang (China)	80.00	80.00	80.00
Somfy Middle East Co Ltd	Limassol (Cyprus)	100.00	100.00	100.00
Sisa Home Automatisation Ltd	Rishone Le Zion (Israel)	100.00	100.00	100.00
Somfy Maroc SARL	Casablanca (Morocco)	100.00	100.00	100.00
Somfy Hellas SA	Athens (Greece)	100.00	100.00	100.00
Somfy Ev Otomasyon Sistemleri Ticalet Ltd Sti	Usküd (Turkey)	100.00	100.00	100.00
Somfy South Africa (PTY) Limited	Durban (South Africa)	100.00	100.00	100.00
Somfy Mexico SA DE CV	Edo de Mex. (Mexico)	100.00	100.00	100.00
Somfy K.K.	Yokohama (Japan)	100.00	100.00	100.00
Somfy India Pvt Ltd	New Dehli (India)	100.00	100.00	100.00
Somfy ULC	Halifax (Canada)	100.00	100.00	100.00
Harmonic Design	Poway (United States)	100.00	100.00	100.00
Energy Eye	San Diego (United States)	100.00	100.00	100.00
Simu SAS	Gray (France)	100.00	100.00	100.00
Simu GmbH	Iserlohn (Germany)	100.00	100.00	100.00
WAY SRL	Galliera Bologne (Italy)	100.00	100.00	100.00
Overkiz SAS	Archamps (France)	80.00	80.00	80.00
SEM-T	Cluses (France)	100.00	100.00	100.00
DSG	Mouscron (Belgium)	100.00	100.00	100.00
TTMD SA	Geneva (Switzerland)	100.00	100.00	–
BFT Spa	Schio (Italy)	100.00	100.00	100.00
Automatismes BFT France SAS	Lyon (France)	100.00	100.00	100.00
BFT Group Italiberica de Automatismos SL	Barcelona (Spain)	98.70	98.70	98.70
BFT Torantriebssysteme GmbH	Furth (Germany)	100.00	100.00	60.00
BFT Automation UK Limited	Stockport (UK)	100.00	100.00	100.00
BFT Benelux SA	Nivelles (Belgium)	100.00	100.00	100.00
BFT Adria d.o.o.	Drazice (Croatia)	75.00	75.00	75.00
BFT Polska Sp.zoo	Warszawa (Poland)	100.00	100.00	100.00
SACS SRL	Borgo Valsugana (Italy)	100.00	100.00	100.00
BFT US Inc.	Boca Raton (United States)	100.00	100.00	100.00
BFT Portugal SA	Coimbra (Portugal)	100.00	100.00	100.00
BFT Gates systems Limited	Berkshire (UK)	100.00	100.00	100.00
BFT Languedoc SAS	Nîmes (France)	100.00	100.00	100.00
BFT Sud-Ouest SAS	Toulouse (France)	90.00	90.00	90.00
BFT Australie	Sydney (Australia)	100.00	100.00	100.00
BFT Czech Republic	Prague (Czech Republic)	100.00	100.00	100.00
BFT Piemonte	Dronero (Italy)	90.00	90.00	70.00
BFT France SAS	Marseille (France)	100.00	100.00	100.00

Company name	Head office	% control 31/12/11	% interest 31/12/11	% interest 31/12/10
O&O	Corregio (Italy)	90.00	90.00	90.00
O&O France Distribution	Aubagne (France)	100.00	100.00	100.00
BFT Veneto	Schio (Italy)	100.00	100.00	100.00
BFT Autoferm Ouest SARL	Saint-Philbert-de-Grand-Lieu (France)	100.00	100.00	100.00
BFT Anatolia	Istanbul (Turkey)	100.00	100.00	100.00
BFT Grèce	Athens (Greece)	100.00	100.00	100.00
BFT Eire	Dublin (Ireland)	100.00	100.00	100.00
BFT Gulf	Dubai (United Arab Emirates)	100.00	100.00	–
Cotherm Participation SA	Vinay (France)	65.00	65.00	65.00
Cotherm SAS	Vinay (France)	100.00	65.00	65.00
Cotherm Tunisie SARL	Ben Arous (Tunisia)	100.00	65.00	65.00
Cotherm North America	Warwick (United States)	90.00	58.50	58.50
Cotherm UK	Suffolk (UK)	100.00	65.00	65.00
Cotherm SCI	Ben Arous (Tunisia)	100.00	65.00	65.00
NMP SAS	Cluses (France)	100.00	100.00	100.00
Zurflüh-Feller Holding SAS	Autechaux Roide (France)	100.00	100.00	100.00
Zurflüh-Feller SAS	Autechaux Roide (France)	100.00	100.00	100.00
Zurflüh-Feller Montage EURL	Autechaux Roide (France)	100.00	100.00	100.00
CERF EURL	Autechaux Roide (France)	100.00	100.00	100.00
Financière Nouveau Monde SA	Miribel (France)	87.53	87.53	87.53
Sirem International SA	Miribel (France)	–	–	87.53
Sirem SAS	Miribel (France)	100.00	87.53	87.53
Aqua System Design SAS	Miribel (France)	100.00	87.53	87.53
Sirem Immobilier SNC	Miribel (France)	100.00	87.53	87.53
Sodim	Pagny le Château (France)	100.00	87.53	87.53
Equity-accounted companies				
Gaviota Simbac SL	Sax Alicante (Spain)	46.50	46.50	46.50
Simbac Spa	Mezzago (Italy)	46.50	46.50	46.50
Gaviota Simbac Middle East Sal	Zouk Mosbeh (Lebanon)	23.25	23.25	23.25
Gaviota Simbac SL – Succursal EM Portugal	Vila Verde (Portugal)	46.50	46.50	46.50
Firstinnov	Montesson (France)	40.00	40.00	40.00
CIAT	Culoz (France)	40.00	40.00	40.00
Oxygen SARL (Astélia)	Lyon (France)	40.00	40.00	40.00
Axis	Darnetal (France)	40.00	40.00	40.00
Direction Marty Holding SA	Fumel (France)	–	–	34.00
Parquets Marty SAS	Cuzorn (France)	–	–	34.00
Parquets Marty Benelux	Nandrin (Belgium)	–	–	34.00
Parquets Marty Italia SARL	Cremona (Italy)	–	–	17.34
Pellenc	Pertuis (France)	47.23	47.23	–
STOR'M	Saint Clair de la Tour (France)	40.00	40.00	–

Parent company financial statements

I – Balance sheet at 31 December 2011

Balance sheet assets

€ thousands	31/12/11 Net	31/12/10 Net
NON-CURRENT ASSETS		
Intangible assets	7	7
Property, plant and equipment	–	–
Financial assets	536,334	771,843
Total non-current assets	**536,341**	**771,850**
CURRENT ASSETS		
Inventory and work-in-progress	–	–
Trade receivables	445	531
Other receivables and prepaid expenses	39,807	11,913
Marketable securities	51,588	37,536
Bank and cash	1,284	2,172
Total current assets	**93,125**	**52,153**
TOTAL ASSETS	**629,465**	**824,002**

Balance sheet equity and liabilities

€ thousands	31/12/11	31/12/10
SHAREHOLDERS' EQUITY		
Share capital	7,837	7,837
Share premium	1,866	1,866
Reserves	328,295	552,524
Profit for the year	128,982	54,642
Total shareholders' equity	**466,980**	**616,869**
Provisions for liabilities and charges	**2,493**	**1,843**
LIABILITIES		
Borrowings and financial liabilities	39,245	62,536
Trade payables	2,590	5,428
Other liabilities and deferred income	118,158	137,326
Total liabilities	**159,993**	**205,290**
TOTAL EQUITY AND LIABILITIES	**629,465**	**824,002**

II – Income statement for the year ended 31 December 2011

€ thousands	31/12/11	31/12/10
Sales	2,126	3,759
Other income	681	615
Other expenses:	– 10,149	– 16,281
Personnel	*– 793*	*– 557*
Taxes and duties	*– 962*	*– 65*
Net operating expenses	*– 8,394*	*– 15,659*
Royalties paid	–	–
Charges/reversals of depreciation and provisions	–	–
OPERATING RESULT	**– 7,343**	**– 11,908**
Net financial income	**133,252**	**78,856**
CURRENT RESULT BEFORE TAX	**125,909**	**66,948**
Exceptional expenses	**–633**	**– 12,612**
PROFIT BEFORE TAX	**125,276**	**54,336**
Income tax	3,706	306
NET PROFIT	**128,982**	**54,642**

III – Proposed allocation of 2011 profit

€	
Source	
Retained earnings from prior years	1,185,730.00
Net profit for the year	128,981,692.40
	130,167,422.40

€	
Allocation	
Dividend	40,751,360.00
Optional reserve	89,416,062.40
	130,167,422.40

IV – Notes to the Somfy SA financial statements

The financial statements have been prepared for the 12 month period from 1 January 2011 to 31 December 2011.

A. Significant events

Somfy SA acquired 40% of STOR'M, a company specialised in gate automation, for €0.3 million.

Finalisation of an agreement with the shareholders of the Brazilian company Garen Automaçao, the leader in South America for door and gate automation. At this initial stage, Somfy's commitment is limited to the subscription in convertible and conventional bonds issued by Garen, for €11.1 million and €2.5 million, respectively. The conversion of the convertible bonds, expected to occur in 2016, will potentially allow control of the company.

Somfy SA created the company Provence Nouveau Monde, an acquisition vehicle established for the takeover of Pellenc for €54.2 million.

Early in February 2011, Somfy SA sold its 32.95% equity investment in agta record to Assa Abloy. The value of the transaction was €109.8 million, of which €101.1 million has already been collected, with the balance of €8.7 million to be paid within a maximum of two years. The €63.1 million capital gain, net of related costs, was recognised as financial income during the period.

Somfy SA sold its equity investment in Firstinnov during the second half of 2011.

In mid-December 2011, Somfy SA sold its equity investment in Babeau Seguin for €6.5 million. A capital gain of €4.1 million was recognised as financial income.

B. Accounting rules and methods

The 2011 financial statements are presented in accordance with current French legislation as defined by the French Chart of Accounts and in line with the general principles included therein.

The general bases of accounting have been applied in respect of the principle of prudence, in accordance with the following basic assumptions:

- going concern;
- consistency of presentation with the exception of the change disclosed below;
- separate accounting periods;

and complies with the general rules for the preparation and presentation of annual financial statements.

The method used to value the items in the accounts is the historical cost method.

Change of methods

As specified in the notes to the parent company financial statements of previous financial years, historically Somfy SA had opted for the equity method for the recognition of entities over which it exercises exclusive control. The Company decided to give up this exemption method and revert to the historic cost method. This change of method will provide consistency throughout the control chain.

The change was applied with retroactive effect from 1 January 2011 and resulted in a €239.3 million reduction in opening equity to bring the equity value of equity securities down to their historic cost.

Investments

The gross value of investments comprises their acquisition cost less related expenses. From now on a writedown will be recognised when the book value falls below historic cost. Book value is determined based on several assessment items, such as year-end net assets, profitability level, future prospects and share price for listed companies.

Debentures and other securities

The initial value of debentures and other securities comprises their acquisition cost less associated expenses. When the estimated realisable value is lower than cost, an impairment provision is recorded for the difference. The estimated realisable value itself is determined with reference to the principles defined by the PCG (French Chart of Accounts).

Interest falling due on bonds is capitalised at each year end.

Marketable securities

The gross value of marketable securities comprises their purchase price less associated expenses or their transfer value. Marketable securities are valued at their quoted stock exchange price at 31 December 2011 and are impaired when this is lower than cost.

At 31 December 2011, marketable securities totalled €51.6 million, comprising:

- treasury shares of €63 million;
- a provision of -€11.4 million for the writedown of treasury shares.

Treasury shares

Pursuant to the authorisation granted by the Combined General Meeting of 18 May 2011, treasury shares are retained for the following purposes:

- to be granted to employees within the framework of stock option or free share allocation plans;
- to ensure the liquidity of the Somfy share and to stimulate the secondary market;
- to retain the shares purchased and subsequently exchange them or use them within the framework of potential acquisitions;
- to proceed with the possible cancellation of the shares acquired;
- to cover marketable securities giving right to the allocation of free Company shares, in accordance with applicable regulations.

These shares are classified in account 502 "Treasury shares". Income or losses on treasury share transactions are thus recognised as financial income/(expenses).

Treasury shares to be granted to employees and allocated to stock option or free share plans are valued on a plan by plan basis at the lower of acquisition cost or exercise price of the call option.

Shares not yet allocated to plans or which have expired are valued at the lower of their average acquisition cost or closing quoted price.

Shares bought and sold to ensure the liquidity and to stimulate the secondary market and shares purchased to be retained and subsequently exchanged are valued at the lower of the average purchase price of all these shares or closing quoted price.

Somfy SA stock option and free share allocation plans

There are currently two stock option plans in force, the key features of which are disclosed in Note 16.

In addition, at its meeting on 27 May 2011 the Management Board of Somfy decided to allocate Somfy shares, free of charge, to one hundred and thirty four (134) beneficiaries. The acquisition of these free shares is subject to beneficiaries remaining employed by the Group and to business performance conditions based on internal financial criteria.

Accounts receivable from investments and other receivables

Accounts receivable are carried at par value. A provision for impairment is recorded when their estimated realisable value falls below carrying value and based upon the probability of their recovery.

When the equity of investments become negative, a provision for impairment is recorded with reference to the above estimated realisable value.

Foreign currency transactions

Foreign currency denominated income and expenses are recorded at their equivalent value at the transaction date. Foreign currency denominated debts, receivables and cash are recognised in the balance sheet at their exchange rate on the balance sheet date. The difference resulting from the translation of foreign currency debts and receivables at the balance sheet date exchange rate is recognised in the balance sheet as a "Translation adjustment".

At 31 December 2011, "asset" and "liability" translation adjustments of €915 thousand and -€610 thousand, respectively, were classified under the captions "Other receivables and prepaid income" and "Other liabilities and deferred income", respectively.

Unrealised foreign exchange losses resulting from the net exchange gain or loss by currency recorded on assets and liabilities at the balance sheet date are recorded as a provision for foreign exchange losses.

Borrowings and debts from credit institutions

Borrowings and debts from credit institutions are recorded on the balance sheet at their net value. Accrued interest is recorded on the balance sheet with the related borrowings.

At 31 December 2011, the Company was in compliance with all financial covenants imposed by banks on its borrowing facilities.

At 31 December 2011, the financial debt of €36 million can be broken down as follows:
- €31 million in drawn down credit facilities (with an additional undrawn facility of €111 million);
- borrowings of €2.5 million;
- intragroup borrowings of €2.3 million.

Interest rate hedgings

Income and expenses resulting from interest rate hedgings are recognised in the income statement at each contracted maturity date.

The following are recognised at year end:
- accrued interest on interest rate hedgings;
- a provision for interest rate risk was established for the unrealised loss resulting from the recognition at fair value of financial instruments whose nature as a hedging cannot be demonstrated.

Operating items

Somfy SA sales for the year to 31 December 2011 were €2.1 million, a decline compared to the previous year. The operating result was a loss of €7.3 million, compared to a loss of €11.9 million in 2010, primarily due to expenses related to acquisitions carried out by Somfy SA in 2010.

Financial items

The net financial income of the Somfy SA holding company was €133.3 million, compared to €78.9 million in 2010.

The increase in net financial income was due to the recognition of capital gains of €68 million following the disposal of equity securities (€64.1 million from agta record and €3.9 million from Financière Performance), an increase in dividends received during the period (up €6.4 million) and the recognition of a provision for writedown of unallocated treasury shares held to serve stock option plans linked to a decline in the Somfy SA share price (down €7.9 million).

Provisions totalling €17.7 million for the writedown of equity securities were also recognised during the period.

Furthermore, interest on bank debt decreased due to the reduction of overall bank debt and were largely offset by interest on debenture loans (mezzanine) granted by Somfy SA to CIAT and Financière Nouveau Monde and Garen.

Exceptional expenses

Exceptional expenses were €0.6 million, primarily comprising the cost to revitalize the local labour market related to Spirel, a company sold in 2010.

Net profit

The net profit was thus €128.9 million, after inclusion of an income tax profit of €3.7 million from the income tax consolidation.

Income tax consolidation

The income tax consolidation agreement signed between Somfy SA and its direct and indirect subsidiaries was renewed on 1 January 2007 for a further 5 year period, until 31 December 2011. It will then be automatically renewed for successive periods of five years.

In accordance with the agreement, the difference calculated between the income tax chargeable on the combined profits of the tax grouping and the sum of the Group companies' individual tax charges, is credited to Somfy SA, the Group's parent company. Pursuant to this agreement, a tax profit of €3.7 million was recognised for the year to 31 December 2011.

Tax savings resulting from the transfer of losses from subsidiaries are considered to be tax income.

Should a subsidiary cease to be a member of the tax grouping, they will be compensated by Somfy SA in accordance with a jointly-agreed exit methodology, taking account of the situation at that date.

Currently there are no available Group tax losses to be used.

Post-balance sheet events

The Company carried out an increase of €9.6 million in the share capital of Provence Nouveau Monde, following the latter's 7.11% equity investment in Pellenc. Provence Nouveau Monde now holds 47.23% of Pellenc.

At the end of February, Chinese authorities approved the acquisition of 15% of LianDa's share capital by Somfy SA for €1.5 million. As a result, our equity investment in this company rose to 95%.

Consolidating entity

The consolidating entity is the JPJ-S company.

C. Notes

Note 1: Gross non-current assets

€ thousands	Gross value 31/12/10	Increase	Decrease	Merger movements	Other movements	Gross value 31/12/11
Intangible assets	**215**	**–**	**–**	**–**	**–**	**215**
Property, plant and equipment	**2**	**–**	**–**	**–**	**–**	**2**
Financial assets	**780,860**	**181,964**	**– 156,018**	**–**	**– 239,306**	**567,500**
Equity investments	593,148	158,572	– 51,385	–	– 239,306	461,030
Receivables from associates and related companies	122,005	3,280	– 103,793	–	–	21,492
Other financial assets	2,407	991	– 840	–	–	2,558
Bonds	63,301	19,120	–	–	–	82,421
	781,077	181,964	-156,018	–	-239,306	567,717

The increase in investments is due to financial investments of €0.3 million and capital increases of €157.6 million (including €103 million of capitalised receivables).
The increase in other financial assets is due to capitalised interest on bonds granted to companies acquired through LBO, as well as the subscription to new convertible and non convertible bonds for €14 million.
Other movements correspond to the balance of the equity method of accounting, which was reversed due to the change of accounting method.

Note 2: Amortisation and depreciation

€ thousands	Gross value 31/12/10	Charges	Reversals	Merger movements	Other movements	Gross value 31/12/11
Intangible assets	**208**	**–**	**–**	**–**	**–**	**208**
Concessions, patents and licences	208	–	–	–	–	208
Property, plant and equipment	**2**	**–**	**–**	**–**	**–**	**2**
	210	–	–	–	–	210

Note 3: Balance sheet provisions

€ thousands	Gross value 31/12/10	Charges	Reversals used	Reversals not used	Merger movements	Other movements	Gross value 31/12/11
Regulated provisions	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Provisions for liabilities and charges	**1,843**	**1,416**	**– 766**	**–**	**–**	**–**	**2,493**
Writedown provisions	**15,680**	**37,661**	**– 6,775**	**– 327**	**–**	**–**	**46,239**
On financial investments	9,017	25,326	– 2,850	– 327	–	–	31,166
On miscellaneous receivables	3,163	970	– 500	–	–	–	3,633
On marketable securities	3,500	11,365	– 3,425	–	–	–	11,440
	17,523	**39,076**	**– 7,541**	**– 327**	**–**	**–**	**48,731**

Note 4: Analysis of maturity of receivables

€ thousands	Total	Less than one year	More than one year
Non-current receivables			
Accounts receivable from investments	21,492	17,422	4,070
Other financial assets	2,558	50	2,508
Bonds	82,421	–	82,421
Current receivables			
Trade receivables	445	445	–
Miscellaneous receivables*	37,340	28,582	8,758
Prepaid expenses and translation adjustment	**2,467**	**2,467**	**–**
	146,723	**48,967**	**97,756**

** Including €14,486 thousand of intragroup current accounts, primarily originating from the implementation of cash pooling at Group level.*

Note 5: Analysis of maturity of payables

€ thousands	Total	Less than one year	One to five years	More than five years
Liabilities				
Loans and related payables to credit institutions	39,245	39,245	–	–
Miscellaneous loans and financial debts	–	–	–	–
Operating liabilities				
Trade payables and related items	2,590	2,590	–	–
Other liabilities*	**117,549**	**117,549**	**–**	**–**
Deferred income and translation adjustment	**610**	**610**	**–**	**–**
	159,993	**159,993**	**–**	**–**

**Including €106,177 thousand of intragroup current accounts, primarily originating from the implementation of cash pooling at Group level and €10,535 thousand of tax and social contributions.*

Note 6: Analysis of operations of related companies and equity investments

€ thousands	
Equity investments	461,030
Trade receivables related to equity investments	21,492
Bonds	68,834
Loans and financial debts	2,334
Financial income (interest and dividends)	99,337
Financial expenses (interest)	– 787
Receivables	14,480
Liabilities	116,597

Note 7: Statement of changes in shareholders' equity

En milliers d'euros	Balance at 31 /12 /10 before allocation of net profit	Allocation of net profit 31/12/2010	2011 movements	Balance at 31/12/ 11 before allocation of net profit	Proposed allocation of 2011 net profit	Balance at 31/12/11 after allocation of net profit
Share capital	7,837	–	–	7,837	–	7,837
Share premium	1,866	–	–	1,866	–	1,866
Revaluation reserve	245,234	–	– 239,306	5,929	–	5,929
Legal reserve	791	–	–	791	–	791
Regulated reserves	–	–	–	–	–	–
Other reserves	305,307	15,083	–	320,390	89,416	409,806
Retained earnings	1,192	– 1,192	1,186	1,186	– 1,186	–
Net profit	54,642	– 54,642	128,982	128,982	– 128,982	–
Tax-regulated provisions	–	–	–	–	–	–
	616,869	**– 40,751**	**– 109,138**	**466,981**	**– 40,751**	**426,229**
			Movement			
SHAREHOLDERS' EQUITY AFTER ALLOCATION	**576,118**	**–**	**– 149,890**	**–**	**–**	**426,229**

Note 8: Deferred income

€ thousands	
Dividends	793
Accrued interest on cash accounts	92
Government, tax and duties	14,357
Other	–

Note 9: Accrued expenses

€ thousands	
Accrued loan interest	52
Trade payables, invoices not received	1,687
Employees, statutory bodies, government, duties and taxes	97
Miscellaneous *	291
Attendance fees	1

** Including €251 thousand for local labour revitalisation.*

Note 10: Share capital

	Number of shares	Par value (€)
Shares		
At the start of the year	7,836,800	1.0
At the end of the year	7,836,800	1.0
Convertible bonds and similar securities	**–**	**–**

Note 11: Sales breakdown

€ thousands	
France	1,264
European Union	508
Rest of the world	354
TOTAL	**2,126**

Note 12: Financial commitments

€ thousands	31/12/11	31/12/10
Guarantees and deposits received	1,433	1,215
Unused borrowing facilities	79,871	137,500
TOTAL COMMITMENTS RECEIVED	**81,304**	**138,715**

€ thousands	31/12/11	31/12/10
Guarantees and deposits granted	2,197	5,655
Interest on outstanding loans	11	–
TOTAL COMMITMENTS GIVEN	**2,208**	**5,655**

Note 13: Securitised debt

€ thousands	
Loans or liabilities from credit institutions	–

Note 14: Directors' remuneration

€ thousands	
Remuneration allotted	
– to members of the Management Board	220
– to members of the Supervisory Board	90
Pension commitments subscribed	N/A

Note 15: Staff at 31 December 2011

	Male	Female	Total
Executives	6	2	8

Note 16: Stock option and free share plans at 31 December 2011

Stock option plans after adjustment following the separation of the Group (€)

Plan date	Number of beneficiaries	Number of options granted	Adjusted number of options	Exercise price	Option expiry date
31/03/2006	9	36,200	**6,157**	185.00	31/03/2014
02/04/2008	97	29,550	**26,150**	155.00	31/01/2014

Analysis of unexercised options

Plan date	Exercise price	Number of exercisable options	Time remaining to option maturity (days)	Plan maturity date
31/03/2006	185.00	6,157	**821**	31/03/2014
02/04/2008	155.00	26,150	**762**	31/03/2014

Movements in stock option plans

	2011		2010	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Unexercised options at 1 January	58,842	169.93	72,710	161.37
Options granted	–	–	–	–
Options cancelled	– 21,122	180.74	– 711	125.05
Options exercised	– 5,413	182.78	– 13,157	125.05
UNEXERCISED OPTIONS AT END OF YEAR	**32,307**	**160.72**	**58,842**	**169.93**
EXERCISABLE OPTIONS AT END OF YEAR	**6,157**	**185.00**	**29,292**	**185.00**

Free share plans

Plan date	Number of beneficiaries	Number of options granted	Price per share	Allocation date	Vesting date	Shares cancelled	Shares exercised	Number of shares exercisable at 31/12/2011
27/05/2011	134	9,354	191.17	03/06/2013	07/06/2015	– 203	–	9,151

The plan of 27 May 2011 is subject to beneficiaries remaining employed by the Group and to business performance conditions based on internal financial criteria.

Note 17: Treasury shares

€ thousands		31/12/10	Increase	Decrease	Transfer	31/12/11
Stock options and free shares	€ thousands	39,196	1,948	– 425	–	40,719
	number	*232,563*	*11,653*	*– 5,413*	–	*238,803*
Liquidity contract	€ thousands	107	1,278	– 430	–	954
	number	*668*	*7,259*	*– 2,401*	–	*5,526*
Shares retained for potential acquisitions	€ thousands	–	21,279	–	–	21,279
	number	–	*112,254*	–	–	*112,254*
Treasury shares	€ thousands	–	–	–	–	–
	number	–	–	–	–	–
TOTAL TREASURY SHARES	**€ thousands**	**39,303**	**24,504**	**– 855**	**–**	**62,952**
	number	***233,231***	***131,166***	***– 7,814***	**–**	***356,583***

Note 18: List of companies belonging to the tax grouping

Somfy SA	Parent company	Cluses
Somfy SAS		Cluses
Simu SAS		Gray
CMC SARL		Cluses
Domis SA		Rumilly
NMP SAS		Cluses
Automatismes BFT France SAS		Lyon
BFT Languedoc SAS		Nîmes
SEM-T		Cluses
Zurflüh-Feller Holding SAS		Autechaux Roide
Zurflüh-Feller SAS		Autechaux Roide
Zurflüh-Feller Montage EURL		Autechaux Roide
MSD EURL		Autechaux Roide
CERF EURL		Autechaux Roide

Note 19: Breakdown of income tax at 31 December 2011

		Tax		
€ thousands	Result	Basis	Rate	Total
1. Current result				
Profit for the year	125,909	125,909		45,453
Tax adjustments				
– long term capital gains and losses				
– income from investments		– 88,767		– 32,045
– other		– 45,007		– 16,248
Theoretical tax		*– 7,865*	*36.1%*	*– 2,839*
2. Exceptional result				
Profit/(loss) of the period	– 633	– 633		– 228
Tax adjustments				
– long term capital gains and losses				
– deductions		– 610		– 220
– reinstatements		135		49
Theoretical tax		*– 1,108*	*36.1%*	*– 400*
Total theoretical tax		**– 8,973**		**– 3,239**
Tax paid by tax grouping companies				11,168
Tax charge/income for the tax grouping				– 7,462
Tax charge/relief from previous periods				
NET PROFIT				**128,982**

€ thousands	Before tax	Tax	After tax
Current result	125,909	2,839	128,748
Exceptional result	– 633	400	– 233
	125,276	**3,239**	**128,515**
Tax charge/income for the tax grouping			– 7,462
Tax paid by tax grouping companies			11,168
Tax charge/relief from previous periods			
Theoretical tax			– 3,239
NET PROFIT			**128,981**

Note 20: Subsidiaries and investments

€ thousands	Share capital and premium	Reserves and retained earnings before allocation of net profit	Share of capital held %	Profit/(loss) for the last financial year	Sales	Dividends received
Subsidiaries (at least 34% of share capital held by the Company)						
Cotherm	8,000	7,753	64.99%	2,107	–	2,183
DSG	4,250	185	99.90%	188	–	–
Somfy SAS	20,000	70,695	100.00%	25,765	357,417	100
CMC SARL	8	549	100.00%	167	–	–
Somfybat	6,830	7,146	100.00%	1,526	–	–
Somfy Ltd	146	1,114	100.00%	– 107	8,939	–
Somfy PTY Limited	306	3,504	100.00%	455	10,069	–
Somfy N.V.	348	59	100.00%	870	22,519	–
Somfy Brasil Ltda	102	2,076	99.62%	– 265	7,832	–
Somfy GmbH	1,500	8,108	100.00%	4,836	115,396	350
Somfy Kft	1,236	– 878	100.00%	– 333	2,238	–
Somfy SPOL SRO	177	2,158	100.00%	795	7,294	–
Somfy Sp.Zoo	132	972	100.00%	194	13,191	–
Somfy Roumanie	307	– 190	100.00%	– 18	642	–
Somfy JOO	314	3,398	100.00%	183	5,891	–
i-Blind	3,321	– 3,421	100.00%	– 26	3,496	–
Somfy Italia	2,000	22,741	95.00%	1,388	18,976	–
Somfy Espana SA	93,100	4,661	100.00%	3,848	15,967	3,000
Somfy Systems Inc.	8,786	11,830	100.00%	– 255	40,781	–
Somfy AG	30	2,916	100.00%	3,193	20,097	–
Somfy AB	71	1,572	100.00%	273	13,482	–
Somfy PTE Ltd	533	1,162	100.00%	1,018	4,555	–
Somfy Co Ltd	195	701	100.00%	232	6,145	–
LianDa	6,960	– 10,357	80.00%	– 5,166	7,553	–
Somfy Middle East Co Ltd	72	11,194	100.00%	2,527	21,982	–
Somfy Mexico SA DE CV	27	1,182	99.75%	3	3,373	–
Somfy K.K.	205	1,917	100.00%	1,014	10,536	–
Promofi BV	91	– 30,431	100.00%	41,499	–	41,500
Simu SAS	5,000	10,153	100.00%	5,299	63,141	250
Somfy ULC Canada	904	1,573	100.00%	856	5,559	–
Gaviota	4,548	22,834	46.50%	1,403	42,855	–
NMP SAS	29,601	1,564	100.00%	3,778	–	4,400
Yorkshire Technology Ltd & Control	439	1,758	100.00%	179	2,720	–
CIAT Group	84,340	– 21,580	40.00%	2,749	–	7,791
Financière Nouveau Monde	14,187	– 1,558	87.53%	937	–	881
Arve Finance	2,500	11	40.00%	81	–	180

€ thousands	Share capital and premium	Reserves and retained earnings before allocation of net profit	Share of capital held %	Profit/(loss) for the last financial year	Sales	Dividends received
Somfy SIA	519	12	100.00%	– 82	1,035	–
Oxygen	1,646	– 810	40.00%	– 20	858	–
Somfy Pty Limited Afrique du Sud	244	– 167	100.00%	–	199	–
Axis	399	– 180	39.97%	– 10	974	–
Direction Marty Holding SA	831	– 942	34.00%	– 906	–	–
Kléréo	1,020	– 1,449	80.00%	– 1,332	383	–
Somfy Colombie	29	– 1	100.00%	– 76	–	–
Domis	1,535	87	99.99%	888	6,256	–
Somfy Russie	265	– 219	100.00%	– 285	4,607	–
Sisa Automation	249	2,354	100.00%	919	7,206	–
Somfy Turkey	832	– 269	99.85%	134	4,893	–
Asian Capital	108,538	8,398	100.00%	– 733	–	–
Somfy Maroc	196	187	100.00%	138	3,174	–
Somfy Hellas	750	2,402	100.00%	– 180	7,114	–
Somfy India	613	349	99.99%	– 89	1,884	–
Somfy Bulgarie	102	–	99.90%	– 40	285	–
STOR'M	8	229	40.00%	82	–	–
Somfy Thaïlande	306	11	99.96%	– 1	–	–
Provence Nouveau Monde	54,153	–	100.00%	– 863	–	–
Somfy Ukraine	321	23	100.00%	– 27	–	–

€ thousands	
Loans and advances granted to the companies above, not yet repaid	16,588
Total guarantees granted to the companies above	1,471
Dividends paid by the companies above during the year	88,507

Note 21: Investments at 31 December 2011

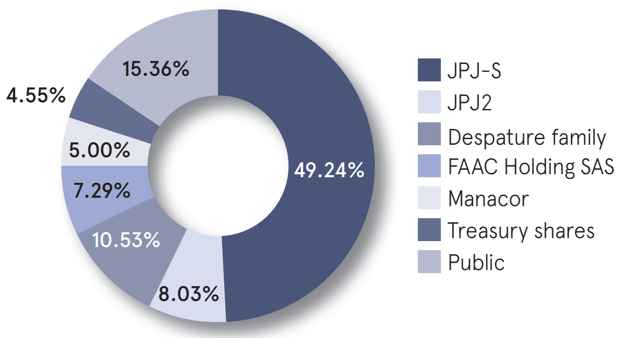
€ thousands		Gross value	Net value	Quoted value
1. Investments				
29,995	shares DSG	4,218	4,218	–
119,994	shares Vimart	63	23	–
1,000,000	shares Somfy SAS	8,286	8,286	–
30,000	shares Somfy GmbH	4,555	4,555	–
3,000	shares Somfy AB	534	534	–
394	shares Promofi BV	1,084	1,084	–
230	shares Somfy Systems Inc.	10,167	10,167	–
1,900,000	shares Somfy Italia SRL	2,271	2,271	–
45	shares Somfy AG	152	152	–
660	shares Somfy K.K.	194	194	–
35,000	shares Somfy Espana SA	93,161	93,161	–
13,995	shares Somfy N.V.	334	334	–
35,999	shares Somfy Middle East Co Ltd	72	72	–
100,000	shares Somfy Ltd	144	144	–
499,999	shares Somfy PTY Limited	350	350	–
80,000	shares Somfy JOO	460	460	–
1,100,000	shares Somfy PTE Ltd	514	514	–
500	shares CMC SARL	8	8	–
2,099,990	shares Somfy Co Ltd	213	213	–
676	shares Somfy SPOL	1,012	1,012	–
7,570	shares Somfy Sp.Zoo	1,423	1,423	–
1	share Somfy Kft	1,240	26	–
399	shares Somfy Mexico SA DE CV	44	44	–
269,000	shares Somfy Brasil Ltda	149	149	–
250,000	shares Simu SAS	23,937	23,937	–
51,000	shares FAAC SPA	17,373	17,373	–
3,424,299	shares Somfy India	624	624	–
544	shares Gaviota	22,157	20,151	–
426,825	shares i-Blind	3,207	–	–
44,000	shares LianDa	5,821	–	–
51,994	shares Cotherm Participation	5,200	5,200	–
124,274	shares Somfy SRL Roumanie	311	137	–
100,000	shares Somfy ULC Canada	333	333	–
700	shares Yorkshire Technology Ltd et Control	2,230	800	–
2,932,600	shares NMP SAS	29,326	29,326	–
33,600,000	shares CIAT Group	33,770	27,970	–
7,294,996	shares Financière Nouveau Monde	7,295	4,182	–
1,000,000	shares Arve Finance	1,000	1,000	–

€ thousands		Gross value	Net value	Quoted value
3,663	shares Somfy SIA	822	49	–
3,065	shares Oxygen	1,600	204	–
2,600,000	shares Somfy PTY Afrique du Sud	231	231	–
333	shares Axis	350	350	–
816,000	shares Kléréo	816	–	–
18,030	shares Direction Marty Holding SA	796	–	–
75,000	shares ZF Plus	75	75	–
1,000	shares Somfy Colombie	30	30	–
2,499,999	shares Somfy Hellas	750	750	–
22,000	shares Somfy Maroc	202	202	–
85,825	shares Domis	3,068	3,068	–
1	share Somfy Russie	300	300	–
14,000,000	shares Sisa Automation	270	270	–
16,776	shares Somfy Turquie	875	875	–
1,175,891	shares Asian Capital	102,133	102,133	–
999	shares Somfy Bulgarie	102	102	–
200	shares STOR'M	308	308	–
10,000	shares Somfy Thaïlande	304	304	–
541,534	shares Provence Nouveau Monde	54,153	54,153	–
1	share Somfy Ukraine	330	330	–
379,449	shares Somfybat	10,280	10,280	–
		461,029	**434,443**	**–**

€ thousands	Gross value	Net value	Quoted value
2. Portfolio investments	**–**	**–**	**–**
3. Marketable securities			
Treasury shares	62,952	51,588	54,165
Other marketable securities	–	–	–
	62,952	**51,588**	**54,165**

Investor relations

Breakdown of capital (in %)



Capital

At 31 December 2011, Somfy's capital amounted to €7,836,800, divided into 7,836,800 shares with a nominal value of €1, fully paid up and all in the same class.

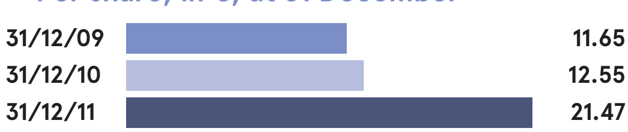
The company has not issued any securities giving right to capital. Stock options that may be exercised after 31 December 2011 are purchase options. As authorized, the company owned 356,583 Somfy shares at 31 December 2011.

Net dividend

Per share, in €, at 31 December

Net profit

Per share, in €, at 31 December



Listing

Somfy SA has a Management Board and a Supervisory Board and is listed on the Eurolist at Euronext Paris in Compartment A (ISIN code FR 0000120495).

Contract

On 6 December 2005, Somfy SA signed liquidity provider agreement with Société Générale Securities.

2012 Financial calendar

20 January: Release of Quarterly Turnover (Q4 2011)
27 February: Supervisory Board
28 February: Meeting on Financial Information Annual results 2011
20 April: Release of Quarterly Turnover (Q1 2012)
24 April: Release of consolidated statements of Full-year 2011
15 May: Supervisory Board
15 May: Annual General Meeting
20 July: Release of Quarterly Turnover (Q2 2012)
30 August: Supervisory Board
31 August: Release of consolidated statements of Half-year 2012
31 August: Release of Half-year results and conference call
19 October: Release of Quarterly Turnover (Q3 2012)
14 November: Supervisory Board

Organization

Supervisory Board

Chairman: Jean-Bernard GUILLEBERT
Vice-Chairman: Jean DESPATURE
Members: Martine CHARBONNIER, Jean DESPATURE, Victor DESPATURE, Jean-Bernard GUILLEBERT, Xavier LEURENT, Valérie PILCER, Anthony STAHL

Audit Committee

Jean-Bernard GUILLEBERT, Martine CHARBONNIER, Victor DESPATURE, Valérie PILCER

Remuneration Committee

Jean-Bernard GUILLEBERT, Victor DESPATURE

Management Board

Chairman: Paul Georges DESPATURE
Somfy Activities CEO: Jean-Philippe DEMAËL
Somfy Participations CEO: Wilfrid LE NAOUR

Auditors

ERNST & YOUNG et AUTRES, LEDOUBLE SA

For further information

Pierre RIBEIRO
Group Financial Operations Director
Telephone: +33 (0)4 50 40 48 49
Fax : +33 (0)4 50 40 19 61
E-mail : pribeiro@dsgsomfy.com

www.somfyfinance.com

Legal documents

Statutory Auditors' report on the parent company financial statements

To the Shareholders,

In execution of our mandate conferred to us by your General Meeting, we hereby present to you our report for the financial year ended 31 December 2011, on:

- our audit of the accompanying Somfy SA company financial statements;
- the justification of our assessments;
- specific legal verifications and disclosures.

The parent company financial statements have been prepared by the Management Board. It is our responsibility to express an opinion on the basis of our audit.

I. 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 annual financial statements are free from material misstatement. An audit includes examining, on a test basis or other method of selection, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We certify that the annual financial statements have been prepared in accordance with applicable French accounting rules and principles, and give a true and fair view of the results for the year just ended as well as of the financial position and the assets of the Company at the end of this year.

Without qualifying the opinion expressed above, we draw your attention to Note B to the parent company financial statements, entitled "Accounting rules and methods", which sets out the change in method relating to the valuation of investments.

II. Justification of assessments

In application of Article L. 823-9 of the Commercial Code regarding the justification of our assessments, we wish to bring to your attention the following matter:

The Note to the parent company financial statements entitled "Investments" sets out the accounting rules and methods relating to the valuation of investments at year-end. As part of our assessment of the accounting rules and methods applied by your Company, we verified whether the methods and information provided in the notes were appropriate, and we assured ourselves as to their correct application.

Our review of these matters was performed as part 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.

III. Specific verifications and information

We have also proceeded with specific verifications required by law, in accordance with professional standards 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 the financial statements, and on the documents forwarded to shareholders on the financial position and financial statements of the Company.

As regards the information provided pursuant to Article L. 225-102-1 of the Commercial Code on remuneration and benefits provided to Directors as well as commitments given in their favour, we have verified their consistency with the financial statements or with the data used in the preparation of these financial statements and, where appropriate, with the information collected by your Company from its parent company(ies) or subsidiaries. On the basis of this work, we confirm the accuracy and fairness of this information.

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 and Lyon, 23 April 2012
The Statutory Auditors

LEDOUBLE S.A.
Frédéric Ledouble

ERNST & YOUNG et Autres
Sylvain Lauria

Statutory Auditors' special report on regulated agreements and commitments

To the Shareholders,

As Statutory Auditors to your Company, we hereby present to you our report on Regulated Agreements and Commitments.

It is our responsibility to inform you, on the basis of information given to us, of the key features and terms and conditions of the agreements and commitments which we were made aware of or discovered as part of our assignment. It is not our responsibility to pass judgement on their usefulness and validity or to search for other such agreements and commitments. It is your responsibility, pursuant to Article R. 225-58 of the Commercial Code, to assess whether it is in your interest that these agreements and commitments be entered into.

Furthermore, it is our responsibility, if applicable, to inform you of disclosures required by Article R. 225-58 of the Commercial Code relative to the execution, during the year just ended, of agreements and commitments approved in prior years by the General Meeting.

We carried out the due diligence we deemed necessary in the light of the professional standards of Compagnie Nationale des Commissaires aux Comptes relative to this assignment. Such due diligence consisted of verifying that the information we were given was consistent with the information disclosed in their source documents.

Agreements and commitments submitted for approval by the Annual General Meeting

We hereby inform you that we have not been advised of any agreements or commitments authorised during the financial year that required approval from the General Meeting, pursuant to Article L 225-86 of the Commercial Code.

Agreements and commitments already approved by the General Meeting

Agreements and commitments approved in prior years

Pursuant to Article R. 225-57 of the Commercial Code, we have been made aware that the execution of the following agreements and commitments, already approved by the General Meeting in prior years, continued during the year just ended.

1. With the Somfy S.A.S., Simu S.A.S., C.M.C. S.A.R.L., Domis S.A., SEM-T S.A.S., NMP S.A.S., Zurflüh-Feller S.A.S., Zurflüh-Feller Holding S.A.S., Zurflüh-Feller Montage E.U.R.L., CERF E.U.R.L., MSD E.U.R.L., Automatismes BFT France S.A.S. and BFT Languedoc S.A.S companies.

Nature and purpose

Tax consolidation agreement

Terms and conditions

Your Company authorised the signing of an addendum to the tax consolidation agreement of 28 June 2002 headed by your Company, for a period of five years, renewable by tacit agreement. This tax consolidation agreement continued throughout the year.

Your Company recognised an income of €3,705,829 during the financial year in respect of this agreement.

2. With C.M.C.

Nature and purpose

Supplementary pension plan pursuant to Article 39 open to employees of the CMC company and members of the Management Committee with at least 15 years' service, established in 2006 and modified by the Supervisory Board on 13 May 2009.

Terms and conditions

This contract gives the right to an additional pension of 0.75% of annual salary, multiplied by the number of years of service, with a ceiling of twenty years and a maximum of 15% of the reference salary, which corresponds to the average remuneration for the best three years of remuneration limited to ten Annual Ceilings of Social Security, excluding exceptional bonuses and profit-sharing and after applying the salary and social contribution indexing coefficients defined by the Caisse Nationale d'Assurance Vieillesse (CNAV).

Your Company did not recognise any expense during the financial year in relation to this agreement.

3. With DSG

Nature and purpose

Supplementary pension plan pursuant to Article 39 open to management and senior staff of the DSG company, with at least 15 years' service, as modified by the Supervisory Board on 13 May 2009.

Terms and conditions

Since the establishment in 2006 of the C.M.C retirement contract, the retirement plan of the DSG company was closed and accepts no new members. The contract provides for a contingent right to a differential pension which is a function of the beneficiary's years of service. As concerns the Chairman of the Management Board, who has maximum seniority, the commitment corresponds to the difference between 50% of the benchmark salary and the amount payable by the compulsory schemes. The benchmark salary is the average of the best three years of remuneration excluding exceptional bonuses and profit-sharing and after applying the salary and social contribution indexing coefficients defined by the Caisse Nationale d'Assurance Vieillesse (CNAV). In order to strengthen the limitation on the Company's commitment, the maximum pension provided has a ceiling of a maximum value of fifteen Annual Ceilings of Social Security.

Your Company did not recognise any expense during the financial year in relation to this agreement.

Paris and Lyon, 23 April 2012
The Statutory Auditors

LEDOUBLE S.A.
Frédéric Ledouble

ERNST & YOUNG et Autres
Sylvain Lauria

Statutory Auditors' report prepared in application of Article L. 225-235 of the Commercial Code, on the report of the Chairman of the Supervisory Board of Somfy SA

To the Shareholders,

As Statutory Auditors to Somfy SA, and in application of the provisions of Article L. 225-235 of the Commercial Code, we hereby present to you our report on your Company Chairman's report in accordance with Article L. 225-68 of the Commercial Code on the financial statements for the year ended 31 December 2011.

It is the responsibility of the Chairman to submit his report for approval by the Supervisory Board, including the internal control and risk management procedures implemented within the Company and the other disclosures required by Article L. 225-68 of the Commercial Code, in particular in relation to corporate governance procedures.

It is our responsibility:

- to communicate to you any observations we may have concerning the information contained in the Chairman's report regarding internal control procedures and the management of risks relating to the preparation and processing of financial and accounting information, and;
- to certify that this report includes all other disclosures required by Article L. 225-68 of the Commercial Code, it being specified that is not our responsibility to verify the fairness of these disclosures.

We have carried out our work in accordance with the professional standards applicable in France.

Information concerning the internal control procedures and management of risks relative to the preparation and processing of financial and accounting information

The professional standards applicable in France require due diligence procedures to be implemented to verify the fairness of the information contained in the Chairman's report, concerning the internal control procedures and management of risks relative to the preparation and processing of financial and accounting information. This due diligence notably consists of:

- becoming aware of the internal control procedures and management of risks relative to the preparation and processing of financial and accounting information supporting the information presented in the Chairman's report as well as existing documentation;
- becoming aware of the work leading to the preparation of this information and the existing documentation;
- determining whether major deficiencies in the internal control relating to the preparation and processing of accounting and financial information that we have revealed as part of our assignment are appropriately dealt with in the Chairman's report.

On the basis of our work, we have no observations to make on the description of internal control procedures and management of risks 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 Article L. 225-68 of the Commercial Code.

Other information

We certify that the report of Chairman of the Supervisory Board includes all other disclosures required by Article L. 225-68 of the Commercial Code.

Paris and Lyon, 23 April 2012
The Statutory Auditors

LEDOUBLE S.A.
Frédéric Ledouble

ERNST & YOUNG et Autres
Sylvain Lauria

Statutory Auditors' report on the consolidated financial statements

To the Shareholders,

In execution of our mandate conferred to us by your General Meeting, we hereby present to you our report for the year ended 31 December 2011, on:

- our audit of the accompanying Somfy SA consolidated financial statements;
- the justification of our assessments;
- specific legal verification.

The consolidated financial statements have been prepared by the Management Board. 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 or other method of selection, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the financial estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We certify that the consolidated financial statements for the year have been prepared in accordance with IFRS as adopted by the European Union and give a true and fair view of the assets, financial position and profit of the Group constituted by the persons and entities included in the consolidation.

II. Justification of our assessments

In application of the provisions of Article L. 823-9 of the Commercial Code regarding the justification of our assessments, we wish to bring to your attention the following matter:

Notes D), H) and 13) of the notes to the consolidated financial statements detail 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 has been 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 verification

We have also proceeded with a verification of information relating to the Group, as presented in the Management Board report, in accordance with professional standards applicable 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, 23 April 2012
The Statutory Auditors

LEDOUBLE S.A.
Frédéric Ledouble

ERNST & YOUNG et Autres
Sylvain Lauria

Statutory Auditors' report on the reduction of share capital

To the Shareholders,

As Statutory Auditors of your Company and in completion of our assignment pursuant to Article L. 225-209 of the Commercial Code in the event of a reduction of share capital by cancellation of shares purchased, we have prepared the present report to inform you of our assessment of the causes and terms and conditions of the foreseen reduction in capital.

Your Management Board requests you delegate it, for a period of twenty four months from the date of this General Meeting, in respect of the implementation of the authorisation for your Company to purchase its own shares, all powers to cancel, up to 10% of the share capital per period of twenty four months, the shares thus purchased pursuant to the aforementioned article.

We have performed the necessary due diligence with regard to professional standards of the Compagnie Nationale des Commissaires aux Comptes in respect of this assignment. This consisted of examining whether the causes and terms and conditions of the foreseen reduction in share capital, which does not derogate from the principle of equality between shareholders, are correct.

We have no observations to make on the causes and terms and conditions of the foreseen share capital reduction.

Paris and Lyon, 23 April 2012
The Statutory Auditors

LEDOUBLE S.A.
Frédéric Ledouble

ERNST & YOUNG et Autres
Sylvain Lauria

Statutory Auditors' report on the authorisation to allocate stock options

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in compliance with the assignment set forth in Articles L. 225-177 and R. 225-144 of the Commercial Code, we hereby report on the authorisation for the allocation of stock options for the benefit of employees, or certain employees or certain categories of staff, either employed by the Company or, if applicable, companies or related economic interest groups according to the terms and conditions set out by Article L. 225-180 of the Commercial Code, and senior executives that fall under the conditions set forth by Article L. 225-185 of the Commercial Code, which is submitted for your approval.

On the basis of its report, your Management Board proposes that it be authorised to allocate stock options for a period of thirty-eight months.

It is the responsibility of the Management Board to prepare a report on the reasons for the allocation of the proposed stock options and on the proposed methods used to determine the purchase price. Our role is to issue an opinion on the proposed methods to determine the purchase price of the shares.

We have performed the necessary due diligence to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of assignment. These procedures consisted of verifying that the methods proposed to determine the purchase price of the shares are included in the Management Board's report and are in accordance with laws and regulations.

We have no observations to make on the proposed terms and conditions to set the purchase price of the shares.

Paris and Lyon, 23 April 2012
The Statutory Auditors

LEDOUBLE S.A.
Frédéric Ledouble

ERNST & YOUNG et Autres
Sylvain Lauria

Statutory Auditors' report on the authorisation to allocate existing shares or shares to be issued free of charge

To the shareholders,

In our capacity as Statutory Auditors to your Company and in compliance with L. 225-197-1 of the Commercial Code, we hereby report on the draft authorisation to allocate existing shares or shares to be issued free of charge for the benefit of employees of your Company or companies related to it, and/or senior executives of your Company, which is submitted for your approval.

On the basis of its report, your Management Board proposes that it be authorised to allocate existing shares or shares to be issued free of charge for a period of thirty-eight months.

It is the responsibility of the Management Board to prepare a report on this transaction, which it intends to effect. Our role is to issue observations, if any, on the information disclosed to you on the planned transaction.

We have performed the necessary due diligence to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of engagement. These procedures consisted of verifying that the terms and conditions being considered and included in the Management Board's report are in accordance with legal provisions.

We have no observations to make on the information provided in the Management Board report relating to the planned transaction to authorise the allocation of shares free of charge.

Paris and Lyon, 23 April 2012
The Statutory Auditors

LEDOUBLE S.A.
Frédéric Ledouble

ERNST & YOUNG et Autres
Sylvain Lauria

Statutory Auditors' report on the increase in share capital reserved for employees or employees members of a company savings plan

To the Shareholders,

As Statutory Auditors to your Company and in completion of our assignment pursuant to Articles L. 225-135 and subsequent of the Commercial Code, we hereby present our report on the proposal to delegate to the Management Board the authority to decide a share capital increase, by issuing ordinary shares with waiver of the pre-emption right, reserved for members of a company savings plan or a company related to it under Article L. 225-180 of the Commercial Code, for a nominal amount not exceeding €500.000, a transaction which is submitted for your approval.

This planned share capital increase is submitted for your approval pursuant to Articles L. 225-129-6 of the Commercial Code and Article L. 3332-8 and subsequent of the Labour Code.

On the basis of its report, the Management Board asks you to delegate to it the authority to decide share capital increases and to waive your pre-emption right to the ordinary shares to be issued for a period of 26 months. Where appropriate, the Management Board shall set the terms and conditions of the share capital increases.

It is the role of the Management Board to prepare a report in accordance with Articles R. 225-113 and R. 225-114 of the Commercial Code. Our role is to give our opinion on the fairness of the financial information drawn from the financial statements, on the proposed waiver of the pre-emption right and on certain other information concerning the issue, as included in this report.

We have performed the necessary due diligence to comply with the professional guidance issued by the French national auditing body (Compagnie Nationale des Commissaires aux Comptes) for this type of assignment. These procedures consisted of verifying the content of the Management Board's report in respect of this transaction and the conditions to determine the share issue price.

Subject to a subsequent review of the terms and conditions of any share capital increase as may be decided, we have nothing to report regarding the terms and conditions for determining the issue price as set out in the Management Board's report.

As the issue price has not yet been set, we do not express an opinion on the final terms and conditions of the share capital increase and, as a result, on the proposal to waive your pre-emption right.

Pursuant to Article R. 225-116 of the Commercial Code, we shall prepare an additional report at such time as your Management Board uses this authorisation.

Paris and Lyon, 23 April 2012
The Statutory Auditors

LEDOUBLE S.A.
Frédéric Ledouble

ERNST & YOUNG et Autres
Sylvain Lauria

Supervisory Board report

Ladies and Gentlemen,

The Management Board has convened this Combined General Meeting to submit the financial statements for the year just ended for your approval.

Pursuant to Article L. 225-68 of the Commercial Code, the Management Board has kept us periodically informed on Company transactions through the presentation of quarterly reports.

For verification and control purposes, the Management Board has submitted to us the Company's financial statements and consolidated financial statements at 31 December 2011, which you are requested to approve today.

The Management Board has also provided us with their report, which has just been presented to you.

We hereby submit our observations on these financial statements and on this report to you pursuant to the provisions of the above-mentioned Article L. 225-68.

The content of this report fairly reflects information that was regularly provided to us during the financial year just ended.

Consolidated sales were €952.4 million, an increase of 11.7% in real terms and 4.9% on a like-for-like basis.

Somfy Activities reported sales of €842.8 million, an increase of 12.8% in real terms and 5.0% on a like-for-like basis. Several areas reported substantial growth for the full financial year, although weaker growth was noted in the second half of the year. This was the case for Central and Eastern Europe, Germany, France and America. Other regions ended the year on more mixed notes. Asia-Pacific faced natural disasters during the year and Northern and Southern Europe suffered from the economic crisis.

Somfy Participations reported sales of €112.5 million, an increase of 4.9% in real terms and 5.0% on a like-for-like basis. All three fully-consolidated subsidiaries recorded growth on a like-for-like basis during the financial year. Cotherm finished the year at a sustained pace, thus largely offsetting the decline noted at the start of the year. The other two subsidiaries, Sirem and Zurflüh-Feller, fell back at the end of the year but recorded substantial growth over the full year.

The Group's current operating result declined from €138.6 million to €124.7 million (down 10.1%), being 13.1% of sales.

Somfy Activities' current operating result was €118.2 million (down 7.7%). This decline was partly due to production cost overruns resulting from the increase in raw material prices and disruptions at the Tunisian site at the start of the year. This was also due to the significant steps taken during the year to implement the growth strategy (strengthening of the sales teams, especially in emerging markets, stepped-up R&D effort, etc.).

The current operating result of Somfy Participations was €6.6 million (down 38.2%). This was made up of the €10.2 million contribution from fully-consolidated subsidiaries (down 23.3%) less €3.6 million in structure costs (acquisition costs, etc.). The decline was primarily due to the increase in raw material prices and, to a lesser extent, to an increase in outsourcing expenses (temporary use of external providers).

Consolidated net profit increased from €96.2 million to €161.4 million (up 67.9%). This includes non-current expenses, particularly the impairment of O&O and Sirem's goodwill, a significant increase in net financial income due to the capital gain on the disposal of the equity investment in agta record and a substantially higher contribution from equity-accounted companies, due to the recovery of CIAT.

The Group had net financial debt of €15.7 million at the end of December, representing 1.9% of shareholders' equity. This was increased due to earn-out clauses on acquisition and liabilities related to options granted to minority shareholders in fully-consolidated subsidiaries, and reduced by unlisted bonds receivable issued by a number of equity investments and related companies.

On this basis, the Management Board will propose the distribution of a net dividend of €5.20 per share.

The report of the Management Board also provides all information required by regulations in force.

In addition, you will be requested to authorise the Management Board to set up a new share buyback programme and use mechanisms to allocate stock options and free shares.

Draft resolutions, in line with the agenda, will be submitted for your approval.

We do not have any specific observations to make as regards the various documents that have been brought to your attention. Therefore, we ask you to adopt the proposed resolutions.

The Supervisory Board

Draft Resolutions
Combined General Meeting on 15 May 2012

Ordinary session

First resolution
Approval of parent company financial statements for the year ending 31 December 2011

The General Meeting, having considered the reports of the Management Board and the observations of the Supervisory Board, the Chairman of the Supervisory Board and the Statutory Auditors on the financial statements for the year ending 31 December 2011, approves these financial statements as they were submitted which show a net profit of €128,981,692.40.

Second resolution
Approval of consolidated financial statements for the year ending 31 December 2011

The General Meeting, having considered the reports of the Management Board, the Chairman of the Supervisory Board and the Statutory Auditors on the consolidated financial statements for the year ending 31 December 2011, approves these financial statements as they were submitted which show a net profit (Group share) of €160,613,000.

Third resolution
Allocation of net profit for the year and setting of cash dividend

The General Meeting approves the following allocation of net profit for the financial year ending 31 December 2011, as proposed by the Management Board:

Source

– Net profit for the financial year	€128,981,692.40
– Retained earnings	€1,185,730.00

Allocation

– Optional reserve	€89,416,062.40
– Dividend	€40,751,360.00

The General Meeting takes note that the overall gross dividend per share is set at €5.20, with the amount thus distributed being wholly eligible for the 40% tax rebate referred to in Article 158-3-2° of the General Tax Code.

The ex-dividend date is set at 31 May 2012.

The dividend will be payable from 5 June 2012.

It is specified that in the case where the Company holds a number of treasury shares at the ex-dividend date, the amounts corresponding to unpaid dividends in respect of these shares will be transferred to retained earnings.

Pursuant to the provisions of Article 243 (ii) of the General Tax Code, the General Meeting notes that it was reminded that the following dividends were paid during the last three financial years:

Financial year	Dividends eligible for tax rebate		Dividends ineligible for tax rebate
	Cash dividends	Other distributed earnings	
2008	€36,394,838.40* being €4.80 per share	–	–
2009	€36,425,068.80* being €4.80 per share	–	–
2010	€39,565,630.00* being €5.20 per share	–	–

** Excluding undistributed dividends attributable to treasury shares.*

Fourth resolution
Special Report of the Statutory Auditors on regulated agreements and commitments and approval of these agreements

We ask that you please take note of the absence of new agreements entered into during the 2011 financial year, of the kind referred to in Articles L. 225-86 and subsequent of the Commercial Code.

Fifth resolution
Appointment of Michel ROLLIER as member of the Supervisory Board

The General Meeting decides to appoint Michel ROLLIER, with an address of 16A, Cours Sablon in Clermont-Ferrand (63000), as member of the Supervisory Board in addition to current members, for a period of six years until the 2018 General Meeting held to approve the financial statements for the year then ending.

Sixth resolution
Authorisation to be granted to the Management Board for the purchase by your Company of its own shares pursuant to Article L. 225-209 of the Commercial Code

The General Meeting, having considered the report of the Management Board, authorises the latter, for a period of eighteen months and under the conditions set out by Articles L. 225-209 and subsequent of the Commercial Code, to purchase Company shares, on one or more occasions and at the Board's discretion, within a limit of 10% of the number of shares comprising the share capital, restated if necessary to take account of potential share capital increases and reductions that may take place during the timeframe of the programme.

This authorisation supersedes the authorisation granted to the Management Board by the eighth resolution of the General Meeting of 18 May 2011, sitting in ordinary session.

Acquisitions may be carried out for the following objectives:
- to stimulate the secondary market or ensure the liquidity of Somfy SA share, by way of an investment services provider within a liquidity contract that complies with the Ethics Charter of AMAFI recognised by the "Autorité des Marchés Financiers";
- to retain the shares purchased and subsequently exchange them or use them within the framework of potential acquisitions, recognising that shares acquired to that end may not exceed 5% of the Company's share capital;
- to ensure the coverage of option plans to purchase shares and other forms of allocations of shares granted to employees and senior executives of the Group, in accordance with the terms and conditions prescribed by law, in particular in relation to employee profit-sharing, the Group savings scheme or the allocation of free shares;
- to cover marketable securities giving right to the allocation of free shares in the Company, in accordance with applicable regulations;
- to proceed with the possible cancellation of shares acquired, subject to the authorisation to be granted by the Combined General Meeting of shareholders sitting in extraordinary session, in its seventh resolution.

Such share purchases may be enacted by all means, including by means of acquiring blocks of shares and at any times considered appropriate by the Management Board.

These transactions may notably be carried out at times of a takeover bid, in compliance with Article 232-15 of the AMF General Regulations, if the bid is entirely cash-based and buyback transactions are carried out as part of the continued implementation of an on-going programme and are not liable to make the bid fail.

The Company reserves the right to use option or derivative instruments, in accordance with applicable regulations.

The maximum purchase price is set at €250 per share. In case of a share capital transaction, in particular a share split, reverse share split or allocation of free shares, the above-mentioned price will be restated in the same proportions (a multiplier coefficient equal to the number of shares comprising the share capital before the transaction divided by the number of shares following the transaction).

The maximum value of the transaction is therefore set at €195,920,000.

The General Meeting confers all powers to the Management Board to proceed with these transactions, set their terms and conditions, conclude all agreements and fulfil all of the required formalities.

Extraordinary session

Seventh resolution

Authorisation to be granted to the Management Board to cancel shares bought back by the Company within the framework set out by Article L. 225-209 of the Commercial Code

The General Meeting, having considered the report of the Management Board and the report of the Statutory Auditors:

1. Grants authority to the Management Board to cancel shares, at its own discretion, on one or more occasions, within a limit of 10% of capital, calculated on the day on which the cancellation decision is made, reduced by the number of shares cancelled during the previous 24 months, the shares which the Company holds or could hold following share buybacks exercised within the framework of Articles L. 225-209 of the Commercial Code as well as to reduce share capital in due conformity with the legal and regulatory provisions in force.
2. Sets the term of this authorisation at 24 months, starting from the current Meeting until 14 May 2014.
3. Grants the Management Board all powers required to carry out all necessary actions for such cancellations and ancillary reductions of share capital, to modify the Company's bylaws as a result and fulfil all of the required formalities.

Eighth resolution

Authorisation to be granted to the Management Board to allocate stock options to employees (and/or certain senior executives)

The General Meeting, having considered the report of the Management Board and the special report of the Statutory Auditors:
- authorises the Management Board, under the provisions of Articles L. 225-177 to L. 225-185 of the Commercial Code, to grant, on one or more occasions and for the benefit of the beneficiaries indicated below, options giving the right to purchase existing shares of the Company originating from buybacks carried out under the conditions set out by Law;
- sets the term of this authorisation at thirty-eight months starting from the day of this General Meeting;
- decides that the beneficiaries of these options may only be:
  · on the one hand, employees, or certain employees or certain categories of staff, either employed by the Company or, if need be, companies or related economic interest groups according to the terms and conditions set out by Article L. 225-180 of the Commercial Code,
  · on the other hand, senior executives that fall under the conditions set forth by Article L. 225-185 of the Commercial Code;

- decides that the total number of options that may be granted by the Management Board under this authorisation may not entitle beneficiaries to purchase more than 1.5% of the share capital outstanding on the date of first allocation, it being specified that this limit will be restated for the total number of shares that may be granted free of charge by the Management Board under the following authorisation relating to the allocation of free shares;
- decides that the purchase price of the shares by the beneficiaries will be set on the date options are granted by the Management Board, pursuant to Article L. 225-177 paragraph 4 and Article L. 225-179 paragraph 2 of the Commercial Code, and may not be lower than the average closing price of the last twenty trading days of the share on Euronext Paris preceding the date of allocation of the shares;
- decides that no options may be granted during the periods indicated in Article L. 225-177 of the Commercial Code;
- delegates full power to the Management Board to set other terms and conditions for the granting and exercising of options, and especially to:
  · establish the terms and conditions under which options will be granted and determining the list or categories of beneficiaries as provided for above; establishing, if need be, conditions of seniority that beneficiaries must meet; deciding the terms and conditions under which the price and number of shares must be adjusted, especially in cases provided for in Articles R. 225-137 to R. 225-142 of the Commercial Code,
  · set the period or periods in which options can be exercised, with the stipulation that the term of these options cannot exceed six years, starting from the date they are granted,
  · if necessary, provide the right to temporarily suspend the exercise of options for a maximum of three months when financial transactions are conducted that involve the exercise of rights attached to shares,
  · carry out all acts and formalities, or have them carried out, and, in general do everything that is required;
- it has been acknowledged that this authorisation supersedes all prior authorisations for the same purpose.

Ninth resolution

Authorisation to be granted to the Management Board to allocate free shares to employees (and/or to certain senior executives)

The General Meeting, having considered the report of the Management Board and the special report of the Statutory Auditors, authorises the Management Board to proceed, on one or more occasions, pursuant to Articles L. 225-197-1 and L. 225-197-2 of the Commercial Code, with the allocation of existing ordinary shares of the Company, for the benefit of:

- employees of the Company or companies directly or indirectly related to it within the meaning of Article L. 225-197-2 of the Commercial Code;
- and/or senior executives meeting the terms and conditions set out by Article L. 225-197-1 of the Commercial Code.

The total number of shares that may be granted may not exceed 1.5% of the share capital outstanding on the date of allocation by the Management Board, it being specified that this limit will be restated for the total number of shares that may be issued following the exercise of options granted by Management Board under the above authorisation relating to stock options.

The allocation of shares to the beneficiaries will be final at the end of a vesting period, the duration of which will be set by the Management Board. This period may not be less than two years. The beneficiaries will subsequently have to retain these shares for a period set by the Management Board, it being specified that the retention period may not be less than two years following the final vesting of the shares.

However, the General Meeting authorises the Management Board, to the extent that the vesting period for all or part of one or more of the allocations be at least four years, not to impose any retention period for the shares in question.

As an exception, the final allocation will take place before the end of the vesting period should the beneficiary be declared to suffer from a disability classified as second or third category pursuant to Article L. 341-4 of the Social Security Code.

The Management Board is granted full authority to:

- set the conditions and, if need be, the criteria for the allocation of shares;
- determine the identity of beneficiaries as well as the number of actions to be allocated to each of them;
- determine, if need be, the effect of transactions modifying the share capital or liable to impact the value of the shares granted and carried out during the vesting and retention periods on the beneficiaries' entitlements, and consequently modify or adjust, if need be, the number of shares allocated to preserve the beneficiaries' entitlements;
- purchase the necessary shares within the framework of the share buyback programme and transfer them to the allocation programme;
- take all appropriate measures to ensure that beneficiaries comply with the required retention obligation;
- and generally do whatever the implementation of this authorisation will require in accordance with applicable regulations.

This authorisation is to be granted for a period of 38 months starting from the date of this General Meeting.

It supersedes all prior authorisations for the same purpose.

Tenth resolution

Authorisation to be granted to the Management Board to increase the share capital through the issue of shares reserved for members of a company savings plan under Articles L. 3332-18 and subsequent of the Labour Code

The General Meeting, having considered the report of the Management Board and the special report of the Statutory Auditors, and acting in accordance with Articles L. 225-129-6 and L. 225-138-1 of the Commercial Code and L. 3332-18 and subsequent of the Labour Code:

1. Authorises the Management Board, if it deems it appropriate, and at its sole discretion, to increase share capital on one or more occasions through the issue of cash-settled ordinary shares and, where necessary, by the allocation of free ordinary shares or other securities granting access to capital, reserved for employees (and senior executives) of the Company (and of companies that are related to it under Article L. 225-180 of the Commercial Code) that are members of a company savings plan.
2. Waives, in favour of these persons, the shareholders' pre-emption right to subscribe to shares that may be issued under this authority.
3. Sets the term of this authority to twenty-six months, starting from this General Meeting.
4. Limits the maximum nominal amount of the increase or increases that can be carried out through the use of this authorisation to €500,000, this amount being independent of any other limit set by other authorisations to increase capital.
5. Decides that the price of shares to be issued, under 1. of this delegation, may not be either inferior by more than 20%, or 30% where the retention period stipulated by the plan under Articles L. 3332-25 and L. 3332-26 of the Labour Code is no less than ten years, to the average opening price of the share during the 20 trading days prior to the decision of the Management Board regarding the increase in capital and the issue of corresponding shares, nor exceed this average.
6. Acknowledges that this authorisation supersedes all prior authorisations for the same purpose.

Eleventh resolution

Powers for formalities

The General Meeting grants all powers to the bearer of copies or extracts of the present minutes to complete all formalities for filing and publication as required by law.

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Statement of the person responsible for the annual financial report

I certify that, to my knowledge, the financial statements for the year just ended were established in accordance with professional accounting standards applicable in France and give a fair view of the assets, financial situation and performance of the Company and of all companies included in the consolidation scope, and that the enclosed Management Report gives a true view of the business situation, performance and financial situation of the Company and of all companies included in the consolidation, as well as a description of main risks and uncertainties encountered.

Cluses, 17 February 2012

Paul Georges DESPATURE
Chairman of the Management Board
of Somfy SA

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