Half Year Financial Report End of June

2013

Somfy SA
Limited company with share capital of €7,836,800
Registered office: 50 avenue du Nouveau Monde, 74300 Cluses – France
Registration number: 476 980 362 RCS Annecy

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Condensed interim consolidated financial statements

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1 | Condensed interim consolidated financial statements

→ | Consolidated income statement

€ thousands	Notes	30/06/13 6 months	30/06/12* 6 months	31/12/12* FY
Sales		506,906	513,934	989,641
Other operating income		8,650	5,349	14,913
Cost of sales		– 181,377	– 182,188	– 362,351
Employee expenses		– 151,821	– 155,037	– 305,245
External expenses		– 81,332	– 83,497	– 162,902
EBITDA		101,027	98,561	174,057
Amortisation and depreciation charges		– 17,274	– 17,417	– 35,786
Charges/reversals to current provisions		182	– 568	– 904
Gains and losses on disposal of non-current operating assets		– 54	– 529	– 967
EBITA		83,882	80,047	136,401
Amortisation of intangible assets allocated		– 2,107	– 2,100	– 4,248
CURRENT OPERATING RESULT		81,774	77,947	132,153
Other operating income and expenses	(1)	– 753	– 2,378	– 7,898
Impairment of goodwill	(6)	– 9	– 8,494	– 9,449
OPERATING RESULT		81,012	67,076	114,806
Financial income from investments		*3,460*	*4,165*	*7,530*
Financial expenses related to borrowings		*– 2,216*	*– 3,194*	*– 5,410*
Cost of net financial debt		1,245	971	2,120
Other financial income and expenses		14	– 1,118	3,619
NET FINANCIAL INCOME/(EXPENSE)	(2)	1,259	– 147	5,739
PROFIT BEFORE TAX		82,271	66,929	120,545
Income tax	(3)	– 18,556	– 19,386	– 26,055
Share of profit/loss of associates	(9)	– 1,253	– 3,615	– 10,072
NET PROFIT		62,462	43,928	84,418
Attributable to: Group share		62,600	43,518	83,807
Non-controlling interests		– 138	409	611
Basic earnings per share (€)	**(4)**	**8.45**	**5.88**	**11.32**
Diluted earnings per share (€)	**(4)**	**8.41**	**5.85**	**11.27**

** The financial statements have been restated following the application of revised IAS 19 and the change in the method of accounting for the CVAE tax at 30 June and 31 December 2012.*
The share of loss of associates of 30 June 2012 has been modified following the allocation of the acquisition cost of Pellenc carried out as of 31 December 2012.

Net profit reported for the six months to 30 June 2012 has been restated for the following items:

€ thousands	
Net profit for the six months to 30 June 2012	**44,098**
Application of IAS 19 (reclassification of past service costs: cancellation of HY1 2012 amortisation)	263
Deferred tax impact resulting from reclassification of CVAE tax	89
Deferred tax impact resulting from the application of IAS 19 (reclassification of past service costs: cancellation of HY1 2012 amortisation)	– 88
Amortisation of Pellenc purchase price allocation	– 434
Restated net profit for the six months to 30 June 2012	**43,928**

Net profit reported for the year to 31 December 2012 has been restated for the following items:

€ thousands	
Net profit for the year to 31 December 2012	**83,540**
Application of IAS 19 (reclassification of past service costs: cancellation of FY 2012 amortisation)	1,051
Deferred tax impact resulting from reclassification of CVAE tax	177
Deferred tax impact resulting from the application of IAS 19 (reclassification of past service costs: cancellation of FY 2012 amortisation)	– 350
Restated net profit for the year to 31 December 2012	**84,418**

→ | Consolidated statement of comprehensive income

€ thousands	30/06/13	30/06/12*
Net profit for the period	62,462	43,928
Movement in gains and losses on translation of foreign currency	– 1,704	2,155
Movement in fair value of available-for-sale assets	–	–
Movement in fair value of interest rate hedgings	408	62
Movement in fair value of foreign currency hedgings	– 50	563
Movement in tax on items that may be reclassified to profit or loss	– 4,473	815
Items that may be reclassified to profit or loss	**– 5,819**	**3,595**
Movement in actuarial gains and losses	–	– 2,115
Movement in tax on items that will not be reclassified to profit or loss	–	704
Items that will not be reclassified to profit or loss	**–**	**– 1,411**
Other items of comprehensive income directly recognised in equity	**– 5,819**	**2,184**
Comprehensive income for the period**	**56,643**	**46,112**
Attributable to: Group share	56,778	45,700
Non-controlling interests**	– 135	412

** The financial statements have been restated following the application of revised IAS 19, the change in the method of accounting for the CVAE tax and the allocation of the acquisition cost of Pellenc.*
*** 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: a negative €0.1 million at 30 June 2013 and a positive €0.4 million at 30 June 2012.*

→| Consolidated balance sheet - Assets

€ thousands	Notes	30/06/13 Net	31/12/12* Net
Non-current assets			
Goodwill	(6)	219,624	209,951
Intangible assets	(7)	68,916	69,274
Property, plant and equipment	(8)	221,305	213,792
Investments in associates	(9)	107,492	109,517
Financial assets	(10)	222,938	226,939
Other receivables		149	9,743
Deferred tax assets		32,743	33,088
Employee benefits		32	101
Total Non-current assets		**873,198**	**872,405**
Current assets			
Inventory	(11)	141,505	132,506
Trade receivables		198,158	149,002
Other receivables		23,549	16,003
Current tax assets		6,207	7,858
Financial assets	(10)	948	835
Asset derivative instruments		139	113
Cash and cash equivalents		77,749	86,797
Total Current assets		**448,255**	**393,115**
TOTAL ASSETS		1,321,454	1,265,519

** The financial statements have been restated in application of revised IAS 19 and the change in the method of accounting for the CVAE tax.*

→ | Consolidated balance sheet - Equity and liabilities

€ thousands	Notes	30/06/13	31/12/12*
Shareholders' equity			
Share capital		7,837	7,837
Share premium		1,866	1,866
Other reserves		802,134	770,046
Net profit for the period		62,600	83,807
Group share		**874,437**	**863,557**
Non-controlling interests		– 444	– 382
Total Shareholders' equity		**873,993**	**863,175**
Non-current liabilities			
Non-current provisions	(12)	10,608	9,647
Other financial liabilities	(13)	86,449	73,364
Other liabilities		1,825	1,811
Employee benefits		21,168	21,047
Deferred tax liabilities		63,471	59,809
Liability derivative instruments		1,231	1,744
Total Non-current liabilities		**184,752**	**167,423**
Current liabilities			
Current provisions	(12)	14,552	12,137
Other financial liabilities	(13)	41,756	52,672
Trade payables		106,031	85,579
Other liabilities		87,656	81,269
Tax liabilities		12,713	3,265
Total Current liabilities		**262,709**	**234,922**
TOTAL EQUITY AND LIABILITIES		1,321,454	1,265,519

** The financial statements have been restated in application of revised IAS 19 and the change in the method of accounting for the CVAE tax.*

→ | Consolidated statement of changes in equity

→ At 30 June 2013

€ thousands	Share capital (1)	Share premium	Treasury shares	Gain/loss on fair value of available-for-sale assets	Actuarial gains and losses	Interest rate hedgings	Foreign currency hedgings
AT 31 DECEMBER 2012	**7,837**	**1,866**	**– 74,390**	**2,870**	**– 11,461**	**– 681**	**94**
Comprehensive income recorded during the period	–	–	–	–	–	408	– 50
Treasury share transactions	–	–	753	–	–	–	–
Dividends	–	–	–	–	–	–	–
Other movements (2)	–	–	–	–	–	–	–
AT 30 JUNE 2013	**7,837**	**1,866**	**– 73,637**	**2,870**	**– 11,461**	**– 273**	**44**

€ thousands	Expenses related to acquisitions of non-controlling interests	Movements in put options	Deferred tax	Changes in foreign exchange rates	Consolidated reserves and net profit for the period	Total shareholders' equity	Non-controlling interests	Total shareholders' equity (Group share)
AT 31 DECEMBER 2012	**– 2,369**	**– 8,515**	**6,041**	**7,628**	**934,254**	**863,175**	**– 382**	**863,557**
Comprehensive income recorded during the period	–	–	– 4,473	– 1,704	62,532	56,713	– 65	56,778
Treasury share transactions	–	–	–	–	– 360	393	–	393
Dividends	–	–	–	–	– 35,692	– 35,692	–	– 35,692
Other movements (2)	–	– 1,868	–	–	– 8,728	– 10,596	2	– 10,598
AT 30 JUNE 2013	**– 2,369**	**– 10,383**	**1,568**	**5,924**	**952,006**	**873,993**	**– 444**	**874,437**

(1) Share capital is comprised of 7,836,800 shares with a par value of €1. No changes occurred in the first half of 2013.
(2) Of which a negative €8.8 million in consolidated reserves related to the recognition of the purchase commitment of the 49% non-controlling interest in Giga, changes to the consolidation scope and foreign exchange gains and losses on equity transactions.

At 30 June 2012

€ thousands	Share capital (1)	Share premium	Treasury shares	Gain/loss on fair value of available-for-sale assets	Actuarial gains and losses	Interest rate hedgings	Foreign currency hedgings
AT 31 DECEMBER 2011	**7,837**	**1,866**	**– 62,624**	**– 130**	**– 5,439**	**– 904**	**– 1,068**
Comprehensive income recorded during the period	–	–	–	–	– 2,115	62	563
Treasury share transactions	–	–	– 12,072	–	–	–	–
Dividends	–	–	–	–	–	–	–
Other movements (2)	–	–	–	–	–	–	–
AT 30 JUNE 2012	**7,837**	**1,866**	**– 74,696**	**– 130**	**– 7,554**	**– 842**	**– 505**

€ thousands	Expenses related to acquisitions of non-controlling interests	Movements in put options	Deferred tax	Changes in foreign exchange rates	Consolidated reserves and net profit for the period	Total shareholders' equity	Non-controlling interests	Total shareholders' equity (Group share)
AT 31 DECEMBER 2011	**–**	**–**	**2,787**	**8,447**	**890,472**	**841,245**	**24**	**841,221**
Comprehensive income recorded during the period	–	–	1,519	2,155	43,508	45,692	– 8	45,700
Treasury share transactions	–	–	–	–	106	– 11,966	–	– 11,966
Dividends	–	–	–	–	– 38,517	– 38,517	–	– 38,517
Other movements (2)	– 2,369	–	– 516	–	– 1,738	– 4,623	84	– 4,707
AT 30 JUNE 2012	**– 2,369**	**–**	**3,790**	**10,602**	**893,831**	**831,830**	**101**	**831,729**

(1) Share capital is comprised of 7,836,800 shares with a par value of €1. No changes occurred in the first half of 2012.
(2) Changes in consolidation scope and foreign exchange gains and losses on equity transactions.

→ | Consolidated cash flow statement

€ thousands	Notes	30/06/13 6 months	30/06/12* 6 months	31/12/12* FY
Consolidated net profit		**62,462**	**43,928**	**84,418**
Depreciation and amortisation of assets (excluding current assets)		20,009	30,372	61,675
Charges to and reversals of provisions for liabilities		980	1,067	650
Unrealised gains and losses related to fair value movements		– 181	– 269	– 1,075
Unrealised foreign exchange gains and losses		2,246	– 202	2,014
Income and expenses related to stock options and employee benefits		1,629	1,549	1,295
Depreciation, amortisation, provisions and other non-cash items		**24,683**	**32,517**	**64,559**
Profit on disposal of assets and others		– 327	2,374	5,139
Share of profit/loss of associates		1,253	1,001	– 2,278
Deferred tax expense		– 585	– 2,284	– 888
Cash flow		**87,485**	**77,535**	**150,950**
Cost of net financial debt (excluding non-cash items)		– 1,140	– 629	– 1,547
Dividends of non-consolidated companies		– 2,720	–	– 7,480
Tax expense (excluding deferred tax)		19,142	21,670	26,943
Change in working capital requirements	(15)	– 38,791	– 42,277	– 7,962
Tax paid		– 8,128	– 1,412	– 17,285
CASH FLOW FROM OPERATING ACTIVITIES (A)		55,847	54,887	143,619
Acquisition-related disbursements:				
– intangible assets and property, plant and equipment		– 25,286	– 19,376	– 42,222
– non-current financial assets		– 569	– 321	– 7,527
Disposal-related proceeds:				
– intangible assets and property, plant and equipment		188	92	510
– non-current financial assets**		8,851	311	13,150
Change in current financial assets		6,243	1,676	2,407
Acquisition of companies, net of cash acquired	(5)	– 5,529	– 3,590	– 6,671
Disposal of companies, net of cash disposed		–	– 1,053	– 3,513
Dividends paid by associates		397	325	472
Dividends paid by non-consolidated companies		–	–	7,480
Interest received		397	565	770
CASH FLOW USED IN INVESTING ACTIVITIES (B)		– 15,309	– 21,370	– 35,144
Increase in loans		8,096	57,824	4,006
Reimbursement of loans		– 11,953	– 17,764	– 47,565
Other transactions with non-controlling interests	(5)	– 1,389	– 3,854	– 3,854
Dividends and interim dividends paid		– 35,692	– 38,517	– 38,680
Movement in treasury shares		220	– 12,157	– 12,156
Interest paid		– 2,285	– 3,126	– 5,493
CASH FLOW USED IN FINANCING ACTIVITIES (C)		– 43,003	– 17,595	– 103,742
Impact of changes in foreign exchange rates on cash and cash equivalents (D)		– 1,139	650	– 298
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)		**– 3,603**	**16,572**	**4,434**
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**(15)**	**70,435**	**66,002**	**66,002**
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**(15)**	**66,833**	**82,573**	**70,435**

** The financial statements have been restated following the application of revised IAS 19 and the change in the method of accounting for the CVAE tax at 30 June and 31 December 2012.*
The share of loss of associates of 30 June 2012 has been modified following the allocation of the acquisition cost of Pellenc carried out as of 31 December 2012.
*** Balance of agta record selling price paid early 2013 by Assa Abloy.*

Notes to the interim consolidated financial statements

1. Approval of financial statements

On 29 August 2013, the Supervisory Board reviewed Somfy Group's condensed consolidated financial statements at 30 June 2013.

2. Highlights

The tax authority's reply, received in the first half of the year, to Somfy Group's observations made in relation to the tax audit of its subsidiary **Somfy SAS** did not alter the initial risk assessment made at 31 December 2012. The Group remains confident that it can successfully obtain a favourable decision and therefore retained the classification of this tax dispute as a contingent liability and did not recognise any provision at 30 June 2013.

A tax audit is in progress at **Somfy SA** in relation to the 2010 and 2011 financial years. Given that this audit is in the preliminary stages, no provision was recognised at 30 June 2013.

Somfy Mexico SA de CV, the Group's Mexican subsidiary, has been subject to a tax audit by the tax authorities in relation to foreign trade matters. The proposed tax adjustment amounts to €1.6 million, primarily related to customs duties. The Group considers that the arguments put forward by the tax authorities are disputable and is confident in the likelihood that this ruling be overturned. Therefore, the Group qualified the risk as a contingent liability and no provision was recognised at 30 June 2013.

3. Changes in consolidation scope

Somfy Activities has acquired 51% of the capital of Brazilian company **Giga** at a price of €6.6 million, of which €2.1 million remains due. This company designs and manufactures security systems, which it markets through specialised distributors and installers in Brazil. This transaction includes an earn-out clause payable in 2015 based on results for the 2013 and 2014 financial years. Also included is a first mutual put/call option exercisable in 2016 over 24% of the capital and a second option for the remaining 25% exercisable in 2018. Provisional goodwill of €8.2 million has been generated and is liable to change during a 12 months allocation period starting on the acquisition date. This company has been fully consolidated from the acquisition date (April 2013) and contributed €3.6 million to the Group's first half year sales.

4. Accounting rules and methods

4.1 New applicable standards and interpretations

The interim financial statements at 30 June 2013 were prepared in accordance with the principles of IAS 34 "Interim financial reporting". Accounting rules and methods are identical to those used in the preparation of the consolidated financial statements at 31 December 2012, except for the following standards, amendments and interpretation adopted by the European Union, the application of which is compulsory for the 2013 financial year:

- Revised IAS 19 "Employee benefits",
- IFRS 13 "Fair value measurement",
- Amendment to IAS 1 "Presentation of items of other comprehensive income (OCI)",
- Amendment to IAS 12 "Income tax – Deferred tax – Recovery of underlying assets",
- Amendment to IFRS 1 "Government loans",
- Amendment to IFRS 7 "Financial instruments: Disclosures – Offsetting financial assets and financial liabilities",
- Improvements to IFRS (May 2012),
- IFRIC 20 interpretation "Stripping costs in the production phase of a surface mine".

The main changes related to revised IAS 19 "Employee benefits" coming into force are as follows:

- Abolition of the various recognition options for actuarial gains and losses: Actuarial gains and losses are now recognised as OCI and unrecognised legacy actuarial gains and losses must be transferred to equity (no impact as the Group already applied this method);
- Abolition of the return on assets assumption: The financial expense corresponds to the interest charge calculated on the commitment less the value of plan assets and calculated using the discount rate;
- Abolition of the deferred recognition method for past service costs: Immediate recognition in the income statement of all impacts related to plan changes. Potential legacy impacts are transferred to equity on the date of first application;
- Furthermore, the Group has elected going forward to recognise benefits for the year as operating result and the interest expense as a financial expense.

The revised IAS 19 must be applied retrospectively and therefore has the following accounting impacts:

- A negative €1.4 million on equity at 1 January 2012, corresponding to unamortised past service costs (after tax) and a positive €0.2 million and €0.7 million on net profit at 30 June 2012 and 31 December 2012, respectively (cancellation of the previous spread of past service costs, net of tax);
- The reclassification from operating result to net financial income of €0.3 million at 30 June 2012 and €0.4 million at 31 December 2012.

Other standards of mandatory first-time application at 30 June 2013 had no significant impact on the Group's financial statements.

The following standards and amendment, adopted by the European Union and whose application will become mandatory at a later stage, were not applied in advance:
- IAS 27 "Separate financial statements" applicable from 1 January 2014,
- IAS 28 "Investments in associates and joint ventures" applicable from 1 January 2014,
- IFRS 10 "Consolidated financial statements" applicable from 1 January 2014,
- IFRS 11 "Joint arrangements" applicable from 1 January 2014,
- IFRS 12 "Disclosure of interests in other entities" applicable from 1 January 2014,
- Amendment to IAS 32 "Financial instruments: Presentation – Offsetting financial assets and financial liabilities" applicable from 1 January 2014,
- IFRS 10, IFRS 11 and IFRS 12 transition guidance applicable from 1 January 2014.

The following standard, amendments and interpretation have been published by the IASB but have not yet been adopted by the European Union:
- IFRS 9 "Financial instruments" applicable from 1 January 2015,
- 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 10, IFRS 12 and IAS 27 "Investment entities" applicable from 1 January 2014,
- Amendment to IAS 36 "Recoverable amount disclosures for non-financial assets" applicable from 1 January 2014,
- IFRIC 21 interpretation "Levies" applicable from 1 January 2014.

The condensed interim consolidated financial statements do not contain all disclosures and notes included in the full-year financial statements. As a result, they must be read in conjunction with the Group's consolidated financial statements at 31 December 2012.

The Group's consolidated financial statements for the year ended 31 December 2012 are available from the Group's website www.somfyfinance.com and upon request from head office.

→ 4.2 Voluntary change of accounting method

At the 2009 year-end, Somfy Group had elected to classify the CVAE tax charge as an operating expense. This classification had historically been used for the French business tax.

Since CVAE is based on added value and taking account of best practices in this area, the Group considered that going forward the classification of the CVAE tax as income tax would provide more reliable and more relevant information.

As a result of this change of method, the results of the 2012 financial year were restated to provide comparative information.

The impact on operating expenses and consequently on the income tax charge was €2.0 million at 30 June 2012 and €3.9 million at 31 December 2012, and generated an additional income tax charge of €0.1 million at 30 June 2012 and €0.2 million at 31 December 2012.

→ 4.3 Use of estimates and judgment

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

As part of the preparation of these half year consolidated financial statements, the main judgments made and the main assumptions used by Management are the same as those applied during the preparation of the consolidated financial statements for the year ended 31 December 2012.

At the end of each reporting period, Somfy carries out impairment tests where there is any indication that an asset may be impaired.

Somfy performs systematic annual impairment tests on intangible assets with an indefinite useful life, notably in accordance with the business plans that are drawn up during the fourth quarter of the financial year.

5. Seasonality

Somfy Group achieves more than 50% of its sales in the first half of the year.

Segment reporting

The Group is organised in two divisions:

- **Somfy Activities**, which includes the companies whose operations come within the scope of Somfy's two traditional businesses, "Home & Building" and "Access";
- **Somfy Participations**, which is dedicated to investing in industrial companies outside Somfy's core business. This division holds interests in FAAC, Gaviota Simbac, Zurflüh-Feller, CIAT, Sirem, Pellenc and Sofilab 4.

Several operating segments are monitored under the Somfy Activities division. However, in accordance with the combination criteria defined by IFRS 8, they were grouped together into one segment for presentation purposes.

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

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At 30 June 2013

€ thousands	Somfy Activities	Somfy Participations	Other	Inter-segment	Consolidated
Segment sales	466,961	41,515	–	– 1,569	506,906
Segment profit/loss (current operating result)	78,204	3,682	– 112	–	81,774
Share of profit/loss of associates	24	– 1,277	–	–	– 1,253
Cash flow	78,594	10,378	– 1,487	–	87,485
Intangible assets and PPE investments	23,444	1,876	–	–	25,320
Goodwill	197,440	22,184	–	–	219,624
Net intangible assets and PPE	241,333	48,888	–	–	290,221
Non-controlling equity investments	145	137,849	–	–	137,994
Investments in associates	2,612	104,880	–	–	107,492

The column "Other" primarily includes financing costs and foreign exchange differences that cannot be attributed to one segment or the other.

At 30 June 2012

€ thousands	Somfy Activities	Somfy Participations	Other	Inter-segment	Consolidated
Segment sales	455,761	59,731	–	– 1,558	513,934
Segment profit/loss (current operating result)	73,748	4,286	– 86	–	77,947
Share of profit/loss of associates	– 463	– 3,152	–	–	– 3,615
Cash flow	68,881	9,081	– 427	–	77,535
Intangible assets and PPE investments	18,142	3,548	–	–	21,690
Goodwill	188,890	31,260	–	–	220,150
Net intangible assets and PPE	232,277	57,981	–	–	290,258
Non-controlling equity investments	68	132,210	–	–	132,278
Investments in associates	690	109,898	–	–	110,587

The column "Other" primarily includes financing costs and foreign exchange differences that cannot be attributed to one segment or the other.

→ At 31 December 2012

€ thousands	Somfy Activities	Somfy Participations	Other	Inter-segment	Consolidated
Segment sales	889,838	103,068	–	– 3,265	989,641
Segment profit/loss (current operating result)	127,487	4,830	– 164	–	132,153
Share of profit/loss of associates	– 324	– 9,748	–	–	– 10,072
Cash flow	128,162	19,988	2,800	–	150,950
Intangible assets and PPE investments	36,914	5,593	–	–	42,507
Goodwill	187,767	22,184	–	–	209,951
Net intangible assets and PPE	232,424	50,642	–	–	283,066
Non-controlling equity investments	65	138,128	–	–	138,193
Investments in associates	3,044	106,474	–	–	109,517

The column "Other" primarily includes financing costs and foreign exchange differences that cannot be attributed to one segment or the other.

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

€ thousands	30/06/13	30/06/12	31/12/12
France	113,436	112,842	113,695
Germany	10,251	8,237	10,200
Northern Europe	2,541	3,270	2,484
Central and Eastern Europe	8,175	2,334	2,212
Southern Europe, Middle East and Africa	61,435	63,778	62,798
Asia Pacific	41,292	37,497	37,201
Americas	4,203	4,319	3,834
SOMFY ACTIVITIES	**241,333**	**232,277**	**232,424**
SOMFY PARTICIPATIONS	**48,888**	**57,981**	**50,642**
CONSOLIDATED SOMFY	**290,221**	**290,258**	**283,066**

→ Sales by customers' location

€ thousands	30/06/13 6 months	30/06/12 6 months	Variance N/N-1	Variance N/N-1 like-for-like	31/12/12 FY
France	133,952	132,065	1.4%	1.4%	244,398
Germany	70,342	69,787	0.8%	0.7%	138,967
Northern Europe	47,495	48,834	– 2.7%	– 2.9%	89,619
Central and Eastern Europe	39,887	38,811	2.8%	3.4%	82,144
Southern Europe, Middle East and Africa	84,488	84,117	0.4%	0.6%	161,036
Asia Pacific	40,617	38,106	6.6%	9.4%	89,884
Americas	50,179	44,041	13.9%	7.5%	83,789
SOMFY ACTIVITIES	**466,961**	**455,761**	**2.5%**	**2.1%**	**889,838**
SOMFY PARTICIPATIONS	**41,515**	**59,731**	**– 30.5%**	**– 7.1%**	**103,068**
Intragroup sales	– 1,569	– 1,558	0.7%	0.7%	– 3,265
CONSOLIDATED SOMFY	**506,906**	**513,934**	**– 1.4%**	**1.3%**	**989,641**

→ | Notes

1. Other operating income and expenses

€ thousands	30/06/13 6 months	30/06/12 6 months	31/12/12 FY
Charge/reversal to non-current provisions	101	– 86	– 2,353
Other non-current items	– 856	– 337	– 1,135
– Non-current income	*265*	*592*	*954*
– Non-current expenses	*– 1,121*	*– 929*	*– 2,089*
Net gain/loss on disposal of assets	2	– 1,955	– 4,410
OTHER OPERATING INCOME AND EXPENSES	**– 753**	**– 2,378**	**– 7,898**

Note: at 30 June 2012, other operating income and expenses included capital losses of €1.0 million and €0.9 million on the disposal of Klereo and I-Blind, respectively.

2. Net financial income/(expense)

€ thousands	30/06/13 6 months	30/06/12 6 months	31/12/12 FY
Cost of net financial debt	1,245	971	2,120
– Financial income from investments	*3,460*	*4,165*	*7,530*
– Financial expenses related to borrowings	*– 2,216*	*– 3,194*	*– 5,410*
Effect of foreign currency translation	– 2,301	– 920	– 3,688
Other	2,315	– 198	7,308
NET FINANCIAL INCOME/(EXPENSE)	**1,259**	**– 147**	**5,739**

At 30 June 2013, the "Other" caption of net financial income primarily included dividends of €2.7 million from FAAC.

3. Income taxes

€ thousands	30/06/13 6 months	30/06/12 6 months	31/12/12 FY
Profit before tax	82,271	66,929	120,545
Share of expenses on dividends	*1,300*	*3,108*	*3,505*
Dividends from non-consolidated companies	*– 2,584*	*–*	*– 7,480*
Goodwill impairment	*–*	*8,494*	*9,449*
Disposals of consolidated investments	*–*	*–*	*4,173*
Reclassification of CVAE as income tax	*– 1,569*	*– 1,954*	*– 3,864*
Other	*– 2,416*	*2,308*	*– 6,014*
Permanent differences	– 5,269	11,956	– 231
Net profit taxed at reduced rate*	– 10,797	– 10,010	– 18,444
Net profit taxable at standard rate	66,205	68,875	101,870
Tax rate in France	*36.10%*	*36.10%*	*36.10%*
Tax charge recalculated at the French standard rate	23,900	24,864	36,775
Tax at reduced rate*	1,755	1,627	2,997
Difference in standard rate in foreign countries	*– 10,306*	*– 10,188*	*– 22,435*
Tax losses for the year, unrecognised in previous periods, deficits used	*117*	*229*	*2,275*
Effect of the difference in tax rate	– 10,189	– 9,959	– 20,160
Tax credits	– 123	– 135	– 726
Other taxes and miscellaneous items	3,213	2,989	7,169
Group tax	18,556	19,386	26,055
Effective rate	*22.55%*	*28.96%*	*21.61%*

** Royalties taxed at reduced rate (16.5%).*

4. Earnings per share

Basic earnings per share	30/06/13 6 months	30/06/12 6 months	31/12/12 FY
Net profit - Group share (€ thousands)	62,600	43,518	83,807
Total number of shares (1)	7,836,800	7,836,800	7,836,800
Treasury shares* (2)	426,404	433,365	433,109
Number of shares used in calculation (1) – (2)	7,410,396	7,403,435	7,403,691
BASIC EARNINGS PER SHARE (€)	**8.45**	**5.88**	**11.32**

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

Diluted earnings per share	30/06/13 6 months	30/06/12 6 months	31/12/12 FY
Net profit - Group share (€ thousands)	62,600	43,518	83,807
Total number of shares (1)	7,836,800	7,836,800	7,836,800
Treasury shares** (2)	397,404	391,429	398,192
Number of shares used in calculation (1) – (2)	7,439,396	7,445,371	7,438,608
DILUTED EARNINGS PER SHARE (€)	**8.41**	**5.85**	**11.27**

*** 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.

5. Business combinations and acquisition of non-controlling interests

→ Acquisitions during the first half year 2013

The table below lists the assets and liabilities of companies acquired during the period (primarily Giga's business combination):

€ thousands	Fair value recognised at the date of acquisition Somfy Activities
Goodwill	9,604
Net intangible assets	417
Net property, plant and equipment	653
Net non-current financial assets	–
Other non-current receivables	1
Deferred tax assets	–
Inventory	2,332
Trade receivables	114
Other current receivables	252
Other current financial assets	8
Cash and cash equivalents, net	– 504
Tax receivables	–
Non-current provisions	–
Other non-current financial liabilities	– 11,317
Other non-current liabilities	–
Employee benefits	–
Deferred tax liabilities	–
Current provisions	–
Other current financial liabilities	– 78
Trade payables	– 2,395
Other current liabilities	– 2,405
Tax liabilities	–
Investments in associates	– 308
Non-controlling interests & impact of put options on equity*	8,651
Acquisition cost	**5,025**
Less: cash acquired	504
Total	**5,529**
Other funding	–
CASH FLOW FROM ACQUISITION NET OF CASH ACQUIRED	**5,529**

(+) Cash outflow

** For the acquisition of Giga, the Group elected to apply the partial goodwill method and allocated the goodwill linked to the put option as a deduction from equity.*

Net cash flow was also impacted by the acquisition of a non-controlling interest in O&O (€0.9 million) and the cancellation of the BFT Anatolia earn-out (€0.5 million).

6. Goodwill

€ thousands	Value
AT 1 JANUARY 2013	**209,951**
Changes in scope of consolidation	9,604
Changes in foreign exchange rates	74
Other movements	5
Charge for impairment	– 9
AT 30 JUNE 2013	**219,624**

→ Impairment test

No significant indication of impairment likely to call into question the recoverable value of the assets was identified by the Group at 30 June 2013.

Even though the results achieved in the first half of 2013 by the Dooya, CIAT and Sirem CGUs are lower than the forecasts provided for in the 2013 budget, a review of their medium-term outlook reveals that these shortfalls were not such as to invalidate the impairment tests carried out at 31 December 2012.

Dooya's results were thus less than budgeted, primarily due to the substantial investments in research and development. These results do not however call into question the business plan used for the 31 December 2012 impairment test.

Regarding Sirem, strategic planning initiated at the end of 2012 remains on-going and the medium and long-term forecasts used for the 31 December 2012 impairment test currently remain unchanged.

To date, CIAT's business plan has not been called into question and the group should benefit from the launch of new products in the second half of this year and in 2014.

7. Intangible assets

€ thousands	Allocated intangible assets	Development costs	Patents and brands	Software	Other	In progress and advance payment	Total
Gross value at 1 January 2013	54,946	22,454	6,874	36,339	1,575	7,009	129,197
Acquisitions	–	111	31	827	39	2,563	3,571
Disposals	–	– 16	–	– 43	–	–	– 59
Changes in foreign exchange rates	397	–	92	– 11	– 2	–	476
Changes in scope of consolidation	387	–	–	–	30	–	417
Other movements	–	363	–	368	–	– 739	– 8
AT 30 JUNE 2013	**55,730**	**22,912**	**6,997**	**37,479**	**1,643**	**8,833**	**133,594**
Accumulated amortisation at 1 January 2013	– 14,581	– 14,202	– 2,109	– 27,828	– 1,203	–	– 59,923
Amortisation charge for the period	– 2,107	– 889	– 153	– 1,503	– 57	–	– 4,709
Disposals	–	16	–	36	–	–	52
Changes in foreign exchange rates	– 114	–	– 6	13	2	–	– 105
Changes in scope of consolidation	–	–	–	–	–	–	–
Other movements	–	– 415	421	1	–	–	7
AT 30 JUNE 2013	**– 16,802**	**– 15,490**	**– 1,847**	**– 29,281**	**– 1,258**	**–**	**– 64,678**
NET VALUE AT 30 JUNE 2013	**38,927**	**7,422**	**5,151**	**8,199**	**384**	**8,833***	**68,916**

** Of which €8.1 million is in progress development costs.*

8. Property, plant and equipment

€ thousands	Land	Buildings	Plant, machinery and tools	Other	In progress and advance payments	Total
Gross value at 1 January 2013	19,046	131,263	251,989	53,904	17,560	473,762
Acquisitions	1,872	581	3,341	1,990	13,965	21,749
Disposals	–	– 42	– 5,392	– 1,026	–	– 6,459
Changes in foreign exchange rates	– 76	– 58	90	– 308	104	– 249
Changes in scope of consolidation	–	–	454	135	119	708
Other movements	71	424	4,909	214	– 5,638	– 19
AT 30 JUNE 2013	**20,912**	**132,169**	**255,392**	**54,910**	**26,110**	**489,493**
Accumulated depreciation at 1 January 2013	– 567	– 52,693	– 169,279	– 37,431	–	– 259,970
Depreciation charge for the period	– 72	– 2,774	– 8,933	– 2,893	–	– 14,672
Disposals	–	29	5,254	943	–	6,226
Changes in foreign exchange rates	–	45	16	215	–	277
Changes in scope of consolidation	–	–	– 40	– 15	–	– 55
Other movements	–	26	4	– 24	–	6
AT 30 JUNE 2013	**– 639**	**– 55,366**	**– 172,977**	**– 39,206**	**–**	**– 268,188**
NET VALUE AT 30 JUNE 2013	**20,273**	**76,803**	**82,415**	**15,704**	**26,110**	**221,305**

The net book value of property, plant and equipment relating to changes in the scope of consolidation was €0.7 million.

9. Investments in associates

€ thousands	30/06/13	31/12/12
Investments in associates at the beginning of the period	109,517	115,008
Change in scope of consolidation and other*	– 239	5,373
Share of profit/loss of associates	– 1,253	2,278
Dividends paid	– 397	– 489
Changes in foreign exchange rates	– 136	– 302
Charge for impairment**	–	– 12,350
INVESTMENTS IN ASSOCIATES AT THE END OF THE PERIOD	**107,492**	**109,517**

** In 2013: change of consolidation method for Stor'm.*
In 2012: acquisition of 51% of Neocontrol and additional 4.5% stake in CIAT, change of consolidation method for Axis.
*** In 2012: charges of €7 million for Pellenc, €2.5 million for Gaviota Simbac, €2.3 million for CIAT and €0.5 million for Oxygen (Astélia).*

10. Financial assets

€ thousands	30/06/13	31/12/12
Available-for-sale financial assets	138,086	138,271
– *Non-controlling equity investments*	*137,994*	*138,193*
– *Marketable securities*	*92*	*78*
Unlisted bonds receivables*	83,080	81,461
Loans**	390	5,766
Other	2,330	2,276
CURRENT AND NON-CURRENT FINANCIAL ASSETS	**223,886**	**227,774**
Due within one year	948	835
NON-CURRENT FINANCIAL ASSETS	**222,938**	**226,939**

** Somfy SA subscribed to a subordinated bond (mezzanine) issued by CIAT with a nominal value of €48.0 million to be repaid in 2016. Capitalised interest amounted to €2.7 million in the first six months. At 30 June 2013, the receivable amounted to €70.7 million. Somfy SA also subcribed to convertible and conventional bonds issued by Garen Automaçao, valued at €10.4 million and €0.7 million, respectively, at 30 June 2013.*
Somfy SA also subscribed to convertible bonds issued by Sofilab 4 for €0.8 million.
*** Repayment of the €5.4 million loan granted by Somfy SA to CIAT.*

Non-controlling equity investments notably include a 34% investment in the share capital of FAAC, valued at €131.0 million.

11. Inventories

€ thousands	30/06/13	31/12/12
Gross values		
Raw materials and other supplies	51,113	49,766
Finished goods and merchandise	101,641	94,134
TOTAL	**152,754**	**143,900**
Provisions	**– 11,249**	**– 11,393**
NET VALUES	**141,505**	**132,506**

€ thousands	Value 31/12/12	Net charges	Exchange rate movements	Other movements	Value 30/06/13
Inventory provisions	– 11,393	112	32	–	– 11,249

12. Non-current and current provisions

→ 12.1 Non-current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provisions for employee liability	Provisions for liabilities and charges	Total 2013
At 1 January 2013	4,193	1,854	689	2,911	9,647
Provision charges	209	269	15	1,386	1,879
Used reversals	–	– 68	– 106	– 52	– 226
Unused reversals	–	– 604	– 69	–	– 673
Impact of foreign exchange rates	– 11	–	–	14	4
Other movements	– 23	–	–	–	– 23
AT 30 JUNE 2013	**4,369**	**1,451**	**529**	**4,260**	**10,608**

Provisions charges, net of reversals used or unused, have impacted the current operating result by a positive €0.1 million and other operating income and expenses by a negative €1.1 million.

→ 12.2 Current provisions

€ thousands	Provisions for guarantees	Provisions for litigation	Provisions for liabilities and charges	Total 2013
At 1 January 2013	4,323	2,870	4,944	12,137
Provision charges	311	346	3,876	4,533
Used reversals	–	– 275	– 1,752	– 2,027
Unused reversals	–	– 114	– 3	– 117
Impact of foreign exchange rates	– 3	1	7	4
Other movements	23	–	1	23
AT 30 JUNE 2013	**4,653**	**2,827**	**7,072**	**14,552**

Provisions charges, net of reversals used or unused, have impacted the current operating result by a negative €3.5 million and other operating income and expenses by a positive €1.1 million.

13. Financial liabilities

€ thousands	30/06/13	31/12/12
Borrowings from credit institutions	55,398	64,310
Lease commitments	16,889	18,383
Other borrowings and financial liabilities*	55,918	43,343
NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**128,205**	**126,036**
Due within one year	41,756	52,672
NON-CURRENT FINANCIAL LIABILITIES	**86,449**	**73,364**

** Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €54.7 million at 30 June 2013 and €43.0 million at 31 December 2012.*

14. Net financial debt

€ thousands	30/06/13	31/12/12
Financial liabilities*	128,205	126,036
Financial assets	72,439	75,719
– Marketable securities	*92*	*78*
*– Unlisted bonds receivables***	*71,357*	*69,413*
*– Loans****	*390*	*5,766*
– Other	*601*	*462*
Cash and cash equivalents	77,749	86,797
NET FINANCIAL DEBT	**– 21,983**	**– 36,481**
NET FINANCIAL DEBT BEFORE UNLISTED BONDS RECEIVABLES	**49,374**	**32,932**

(–) Net financial surplus

** Including liabilities related to put options granted to holders of non-controlling interests and earn-out of €54.7 million at 30 June 2013 and €43.0 million at 31 December 2012.*
*** Somfy SA subscribed to a subordinated bond (mezzanine) issued by CIAT with a nominal value of €48.0 million to be repaid in 2016. Capitalised interest amounted to €2.7 million in the first six months. At 30 June 2013, the receivable amounted to €70.7 million.*
Somfy SA also subcribed to a conventional bond issued by Garen Automaçao, valued at €0.7 million at 30 June 2013.
Convertible bonds are excluded from the calculation of net financial debt.
**** Repayment of the €5.4 million loan granted by Somfy SA to CIAT.*

15. Analysis of cash flow statement

→ 15.1 Cash and cash equivalents

€ thousands	30/06/13	30/06/12	31/12/12
CASH AND CASH EQUIVALENTS - OPENING BALANCE	**70,435**	**66,002**	**66,002**
Cash and cash equivalents - Opening balance	86,797	71,845	71,845
Bank overdrafts	– 16,362	– 5,843	– 5,843
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	**66,833**	**82,573**	**70,435**
Cash and cash equivalents - Closing balance	77,749	87,422	86,797
Bank overdrafts	– 10,916	– 4,849	– 16,362

→ 15.2 Change in working capital requirements

€ thousands	30/06/13	31/12/12
Net decrease/(increase) in inventory	– 7,299	1,360
Net decrease/(increase) in trade receivables	– 51,876	– 10,591
Net (decrease)/increase in trade payables	18,723	– 8,715
Net movement in other receivables and payables	1,660	9,984
CHANGE IN WORKING CAPITAL REQUIREMENTS	**– 38,791**	**– 7,962**

16. Related parties

Related parties 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 market terms.

€ thousands	30/06/13	30/06/12	31/12/12
Sales	556	1,120	1,690
Other revenues	94	218	160
Purchase of goods	1,079	1,154	1,621
Other charges	16	–	7
Interest received	3,012	3,107	6,086
Trade receivables	1,987	1,950	1,902
Trade payables	324	509	280
Borrowings	–	5,377	5,394
Accrued interest	10	37	20
Bonds	81,782	78,578	80,179

17. Dividends proposed

The gross dividend proposed at the AGM of 16 May 2013 called to approve the 2012 financial statements was €4.80. It was paid on 4 June 2013.

18. Consolidation scope

All companies have a 31 December year-end.

Company name	Head office	% control 30/06/13	% interest 30/06/13	% interest 31/12/12
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 EURL	Cluses (France)	100.00	100.00	100.00
Somfybat SNC	Cluses (France)	100.00	100.00	100.00
Domis SA	Rumilly (France)	100.00	100.00	100.00
Stor'm	Saint Clair de la Tour (France)	100.00	100.00	–
SITEM SARL	Zaghouan (Tunisia)	100.00	100.00	100.00
SITEM Services	Zaghouan (Tunisia)	100.00	100.00	100.00
SOPEM	Krakow (Poland)	100.00	100.00	100.00
Somfy Ltd	Yeadon (UK)	100.00	100.00	100.00
Yorkshire Technology	Bradford (UK)	100.00	100.00	100.00
Axis Automatismes	Darnetal (France)	100.00	100.00	100.00
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

Company name	Head office	% control 30/06/13	% interest 30/06/13	% interest 31/12/12
Somfy Brazil LTDA	Sao Paulo (Brazil)	100.00	100.00	100.00
Somfy Columbia SAS	Bogota (Colombia)	100.00	100.00	100.00
Somfy Chili	Chile	100.00	100.00	100.00
Giga Indústria e Comércio de Produtos de Segurança Eletrônica SA	Santa Rita do Sapucaí (Brazil)	51.00	51.00	–
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	Prague (Czech Republic)	100.00	100.00	100.00
SC Somfy SRL	Brasov (Romania)	100.00	100.00	100.00
Somfy LLC	Moscow (Russia)	100.00	100.00	100.00
Somfy SIA	Riga (Latvia)	100.00	100.00	100.00
Somfy LLC	Kiev (Ukraine)	100.00	100.00	100.00
Somfy Bulgaria AD	Sofia (Bulgaria)	100.00	100.00	100.00
Somfy Joo	Seoul (Korea)	100.00	100.00	100.00
Somfy Italia SRL	Milan (Italy)	100.00	100.00	100.00
Somfy 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 (US)	100.00	100.00	100.00
Somfy AG	Bassersdorf (Switzerland)	100.00	100.00	100.00
Somfy Nordic AB	Limhamn (Sweden)	100.00	100.00	100.00
Somfy PTE Ltd	Singapore	100.00	100.00	100.00
Somfy Thailand	Bangkok (Thailand)	100.00	100.00	100.00
Somfy Taiwan Co Ltd	Taipei (Taiwan)	100.00	100.00	100.00
Dooya China	Ningbo (China)	70.00	70.00	70.00
Somfy Co Ltd	Hong Kong	100.00	100.00	100.00
Somfy China Co Ltd	Shanghai (China)	100.00	100.00	100.00
Lian Da	Zhejiang (China)	95.00	95.00	95.00
Somfy Middle East Co Ltd	Limassol (Republic of Cyprus)	100.00	100.00	100.00
Somfy Egypt	Cairo (Egypt)	100.00	100.00	100.00
Sisa Home 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	Acharnai (Greece)	100.00	100.00	100.00
Somfy Ev Otomasyon Sistemleri Ticaret Ltd Sti	Istanbul (Turkey)	100.00	100.00	100.00
Somfy South Africa (PTY) Limited	Durban (South Africa)	100.00	100.00	100.00

Company name	Head office	% control 30/06/13	% interest 30/06/13	% interest 31/12/12
Somfy Tunisie	Tunis (Tunisia)	100.00	100.00	100.00
Somfy Tunisie Services	Tunis (Tunisia)	100.00	100.00	100.00
Somfy Mexico SA DE CV	Tlalnepantla (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 (US)	100.00	100.00	100.00
Energy Eye	Poway (US)	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	San Vincenzo (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	100.00
BFT SpA	Schio (Italy)	100.00	100.00	100.00
Automatismes BFT France SAS	Saint-Priest (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	100.00
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	Warsaw (Poland)	100.00	100.00	100.00
SACS SRL	Trento (Italy)	100.00	100.00	100.00
BFT US Inc.	Boca Raton (US)	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 Australie	Sydney (Australia)	100.00	100.00	100.00
BFT CZ Sro	Prague (Czech Republic)	100.00	100.00	100.00
BFT Piemonte	Dronero (Italy)	90.00	90.00	90.00
O&O	Corregio (Italy)	100.00	100.00	90.00
O&O France Distribution	Aubagne (France)	–	–	100.00
BFT Veneto	Schio (Italy)	100.00	100.00	100.00
BFT Anatolia	Istanbul (Turkey)	100.00	100.00	100.00
BFT Istanbul	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	100.00
BFT China	Shanghai (China)	100.00	100.00	100.00

Company name	Head office	% control 30/06/13	% interest 30/06/13	% interest 31/12/12
BFT New Zealand	New Zealand	100.00	100.00	–
Mastercom	Saint Laurent du Var (France)	100.00	100.00	100.00
BFT Lazio S.r.l.	Rome (Italy)	60.00	60.00	60.00
TRS Standard S.r.l.	Verona (Italy)	60.00	60.00	60.00
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 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				
Groupe Gaviota	Sax (Spain)	46.50	46.50	46.50
Groupe CIAT	Culoz (France)	44.50	44.50	44.50
Oxygen SARL (Astélia)	Lyon (France)	40.00	40.00	40.00
Groupe Pellenc	Pertuis (France)	47.23	47.23	47.23
Stor'm	Saint Clair de la Tour (France)	–	–	40.00
Neocontrol	Belo Horizonte (Brazil)	51.00	51.00	51.00

19. Post-balance sheet events

No significant event occurred after the 30 June 2013 balance sheet date.

2013 first half year business report

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2 | 2013 first half year business report

Consolidated data In € millions	HY1 2013	HY1 2012	% change
Sales	506.9	513.9	– 1.4%
Current operating result	81.8	77.9	+ 4.9%
Operating result	81.0	67.1	+ 20.8%
Net profit	62.5	43.9	+ 42.2%
Cash flow	87.5	77.5	+ 12.8%

Note: Cotherm was excluded from the scope of consolidation in October 2012 and Giga was included in April 2013.

→ | Sales

Group sales were €506.9 million for the first six months of the financial year (a decline of 1.4% in real terms and an increase of 1.3% on a like-for-like basis). This increase on a like-for-like basis shows a marked improvement in the second quarter, partly due to base effects, but reflects mixed developments depending on division and geographic region.

• **Somfy Activities'** sales grew from €455.8 million to €467.0 million (up 2.1% on a like-for-like basis). This increase testifies to buoyant growth in Asia-Pacific and the Americas, as well as good resilience in Central and Eastern Europe, France and Germany. Conversely, this fails to reflect the continued challenging situation in Southern and Northern Europe, which was due to the economic situation and unfavourable weather conditions particularly affecting sales of motors and automation for blinds.

• **Somfy Participations'** sales fell from €59.7 million to €41.5 million (down 7.1% on a like-for-like basis). This decline was attributable to Cotherm's exit from the consolidation scope and reduced business activity at the two fully-consolidated companies, Sirem and Zurflüh-Feller (down 11.9% and 5.2% on a like-for-like basis, respectively).

→ | Results

The Group's current operating result was €81.8 million for the half year (up 4.9% in real terms and 6.8% on a like-for-like basis), representing 16.1% of sales compared to 15.2% for the same period of the previous year.

• **Somfy Activities'** contribution increased from €73.7 million to €78.2 million (up 6.0% in real terms and 6.4% on a like-for-like basis). This rise originated from business growth and tight control of operating and fixed costs, which was the result of significant adaptation and optimisation work carried out recently.

• **Somfy Participations'** contribution decreased from €4.3 million to €3.7 million (down 14.1% in real terms and up 17.7% on a like-for-like basis), resulting from the net profit of fully-consolidated subsidiaries of €5.2 million, a decline which was primarily due to the exit of Cotherm from the consolidation scope, and operating expenses of €1.5 million.

Consolidated net profit was €62.5 million (up 42.2% in real terms and 44.4% on a like-for-like basis). This recovery was largely due to the non-recurrence of goodwill impairment and capital losses on companies that exited the consolidation scope recognised in the same period last year.

→ | Financial position

The Group had a net cash surplus[1] of €22.0 million at the end of June, compared to net financial debt of €38.4 million twelve months previously. This improvement reflects a significant decline in working capital requirements and a substantial increase in cash flow.

→ | Seasonality

Somfy Group achieves more than 50% of its sales in the first half of the year.

1. The net cash surplus is the difference between financial assets and financial liabilities. This includes unlisted bonds receivable issued by a number of related investments or entities and earn-out on acquisitions and liabilities attached to options granted to minority shareholders in fully-consolidated companies.

Highlights

The tax authority's reply, received in the first half of the year, to Somfy Group's observations made in relation to the tax audit of its subsidiary **Somfy SAS** did not alter the initial risk assessment made at 31 December 2012. The Group remains confident that it can successfully obtain a favourable decision and therefore retained the classification of this tax dispute as a contingent liability and did not recognise any provision at 30 June 2013.

A tax audit is in progress at **Somfy SA** in relation to the 2010 and 2011 financial years. Given that this audit is in the preliminary stages, no provision was recognised at 30 June 2013.

Somfy Mexico SA de CV, the Group's Mexican subsidiary, has been subject to a tax audit by the tax authorities in relation to foreign trade matters. The proposed tax adjustment amounts to €1.6 million, primarily related to customs duties. The Group considers that the arguments put forward by the tax authorities are disputable and is confident in the likelihood that this ruling be overturned. Therefore, the Group qualified the risk as a contingent liability and no provision was recognised at 30 June 2013.

Changes in consolidation scope

Somfy Activities has acquired 51% of the capital of Brazilian company **Giga** at a price of €6.6 million, of which €2.1 million remains due. This company designs and manufactures security systems, which it markets through specialised distributors and installers in Brazil. This transaction includes an earn-out clause payable in 2015 based on results for the 2013 and 2014 financial years. Also included is a first mutual put/call option exercisable in 2016 over 24% of the capital and a second option for the remaining 25% exercisable in 2018. Provisional goodwill of €8.2 million has been generated and is liable to change during a 12 months allocation period starting on the acquisition date. This company has been fully consolidated from the acquisition date (April 2013) and contributed €3.6 million to the Group's first half year sales.

Outlook

The implementation of the cost adjustment and optimisation plans will continue within the two divisions over the next few months to strengthen the Group's competitiveness and profitability within an economic environment that still remains uncertain.

- The development effort will be concurrently maintained. Its main objective will be to consolidate **Somfy Activities'** positions in its strategic markets and may give rise to merger and acquisition transactions.
- Likewise, investment and divestment opportunities will be considered by **Somfy Participations**.

Related parties

These are companies over which the Group exerts significant influence. They are consolidated using the equity method.

The main transactions between Somfy and associated companies may be summarised as follows:

- Balance sheet:
  - bond issues and long term advances granted by Somfy to associated companies,
  - trade receivable/payable accounts as a result of Somfy's business relations with these subsidiaries.
- Income statement:
  - financial income related to loans and advances,
  - merchandise sales/purchases.

Somfy SA

For the half year to 30 June 2013, Somfy SA generated sales of €1.4 million. The net financial income was €63.2 million, including €62.4 million in dividends paid by the subsidiaries in respect of their net profit for the year to 31 December 2012.

Net profit was €59.5 million, after taking account of a €0.4 million income tax charge.

Statement from the individual responsible for the half year report

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

Cluses, 23 August 2013

Paul Georges DESPATURE
Chairman of the Management Board of Somfy SA

Statutory Auditors' report on the 2013 interim financial report

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3 | Statutory Auditors' report on the 2013 interim financial report

To the Shareholders,

In execution of our mandate conferred to us by your General Meeting and pursuant to Article L. 451-1-2 III of the Monetary and Financial Code, we have proceeded with:

- A limited review of the accompanying interim consolidated financial statements of the Somfy S.A. company, for the period from 1 January to 30 June 2013;
- A review of the information disclosed in the interim business report.

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

→ | Opinion on the financial statements

We have conducted our limited review in accordance with the professional standards applicable in France. A limited review consists principally of making inquiries of persons responsible for financial and accounting matters and applying analytical procedures. The scope is substantially less than an audit conducted in accordance with auditing standards applicable in France. Consequently, this review can only guarantee reasonable assurance, not to the same degree as an audit, as to whether the half year financial statements are free of material misstatements.

Based on our limited review, nothing has come to our attention, pursuant to IFRS as adopted in the European Union, that would challenge the fairness and truthfulness of the half year condensed consolidated financial statements and the fair view they provide of the equity position and financial position at the end of the half year period and financial performance during the half year period just ended of the body formed by persons and entities included in the consolidation.

Without qualifying the above opinion, we draw your attention to Note 4.1 to the consolidated half year financial statements, which notably discloses the effects of the first-time application by your company of the revised IAS 19 on employee benefits, and to Note 4.2 relating to the change of presentation method of the CVAE tax charge in the income statement.

→ | Specific verification

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

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

Paris and Lyon, 29 August 2013
The Statutory Auditors

LEDOUBLE S.A.
Agnès Piniot

ERNST & YOUNG et Autres
Sylvain Lauria