

2013

Activity
Report

SO SOMFY



somfy participations

SOMFY PARTICIPATIONS



2008 – 2010

Consolidating the entrepreneurial spirit of Somfy Group

Somfy Group created its investment branch at the beginning of 2008 with two aims: to perpetuate the Group’s entrepreneurial spirit by investing its excess cash flow in companies operating outside Somfy’s core business, and to consolidate the Group’s profitable growth over the long term. As soon as it was formed, Somfy Participations took on four holdings that pre-dated 2008.

While Somfy Participations capitalized on its knowledge in the construction industry at the start, the branch expanded its investments scope beyond this perimeter.

- 4 AN INITIAL PORTFOLIO OF COMPANIES
AGTA RECORD, GAVIOTA
SIMBAC, COTHERM, FAAC
- 5 INVESTMENTS
CIAT, ZURFLÜH-FELLER,
SIREM, BABEAU SEGUIN,
PARQUETS MARTY
- 1 BUILD-UP OPERATION

2011 – 2012

Opening up to new business sectors

Having established a solid business model, Somfy Participations began investing in new business sectors, in companies offering strong development potential. The criteria that have guided its investments choices since the start remain the same: Somfy Participations targets companies going through transformation or transition, with development plans that it understands.

- 2 INVESTMENTS
PELLENC, LA BUVETTE GROUP
- 4 DISPOSALS
AGTA RECORD, BABEAU
SEGUIN, PARQUETS MARTY,
COTHERM
- 7 BUILD-UP OPERATIONS

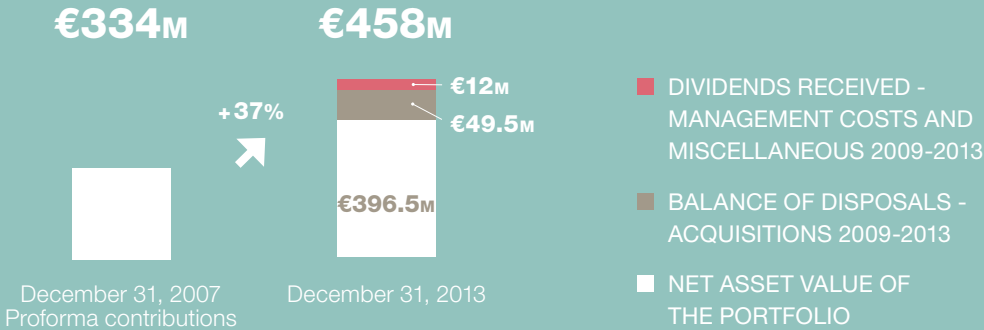
2013

Maturity

With seven acquisitions, four disposals and 12 build-up operations achieved in the past six years, Somfy Participations is now a dynamic and recognized player in the investment world. The ability to maintain our management costs below 1% of the value of our portfolio reflects the efficiency of our organization and the maturity of our business model.

Since 2008, despite the unfavorable economic context, we have successfully increased the value of our portfolio and our companies. While most of our acquisitions were made just before the crisis of September 2008, the valuation multiples of our companies have improved, both for those that have been sold and those in our current portfolio. The fact that they are now strategically more attractive, despite the downturn, confirms that we have taken the right approach. Our conviction is that our entrepreneurial experience is useful for companies going through transformation and transition. It also demonstrates that our chosen long-term investment strategy is suited to innovation and internationalization projects that consolidate the companies over time.

- 4 BUILD-UP OPERATIONS
- 7 HOLDINGS IN COMPANIES
- €396.5M
NET ASSET VALUE (NAV)
AT END 2013
- + 12.6%
- €77.3M
FULLY INTEGRATED
CONSOLIDATED SALES
FOR 2013





“Internationalization and innovation have generated growth”

Wilfrid Le Naour
CEO of Somfy Participations

“We have been very active in supporting build-ups, which support strategic repositioning.”

How would you summarize the activity and results of the companies in your portfolio in 2013?

WLN: During the first half, all companies – Pellenc expected – suffered due to the unfavorable context on the French market. However, their business recovered significantly in the second half, which partly offset the difficult start of the year. Overall, the strategy of innovation and international development that forms the shared basis for the operations of all our companies, is seeing results. New markets played an even greater part in generating growth this year. The return to growth at Gaviota Simbac in 2013 and the strong improvement in its results confirm the effectiveness of this dual strategy. For the past five years, this Spanish company has been undertaking an extensive repositioning of its strategy following the crisis on its domestic market: it has invested internationally, in North Africa and South America, as well as in new markets in Spain, particularly in awnings, which have become its biggest business today.

Sirem, whose activities declined substantially in 2012, made significant progress in terms of its strategic repositioning in wellness machines through water treatment. This has led to a marked improvement in its results; although this is still not enough, Sirem is on the right track. In terms of results, there are of course varying levels of profitability, but we have not been disappointed by the performance of the companies compared to our expectations. Indeed, the improvement in our net asset value (NAV) confirms the validity of the business plan we implemented at the beginning of the year. The major increase in RNAV, up 12.6%, is also related to the improvement in valuation multiples.

In 2013, Somfy Participations did not make any new acquisitions and focused on the management of its portfolio. What is your role in relation to the companies?

WLN: In an economic climate that is still very difficult, our main objective has been to ensure the companies remain on course and maintain



or improve their results. Where necessary, they have taken cost-cutting measures and consolidated their competitiveness. In accordance with our role of supporting and advising, we have also backed them in the implementation of their strategies, particularly innovation and international development. Build-up operations provide rapid leverage for strategic repositioning, and we have continued to encourage their external growth operations. Pellenc has carried out several build-up operations with the aim of becoming the world leader in the supply of equipment grape harvesting, winemaking and olive harvesting markets. Also investing in distribution in Bordeaux will deepen the relationship with core customers. These operations are driven by a long-term vision for the development of Pellenc, with synergies to put in place, and in 2014 the company will have increased significantly in size, with sales reaching €180 million compared to €133.2 million in 2013. FAAC has made a number of acquisitions, notably in the United States, as part of its strategy to expand its business to include car park payment systems.

The results of your six years in operation confirm your place in the investment world. Will you maintain your strategy?

WLN: Yes, because it works, both in terms of increasing the value of our portfolio and the added value

it brings to the companies. However, in 2013 we made two changes to our investment strategy. We decided to lower our investment threshold by joining forces with investors located geographically close to the companies. This will allow us to retain a very low management cost ratio and to focus on the strategic aspects. The acquisition of a shareholding in the La Buvette group at the end of 2012 was the first implementation of this new strategy. We will also expand our scope to include Switzerland, a “natural” prospection territory due to its geographical proximity.

“The return to growth at Gaviota Simbac and the improvement in Sirem’s results confirm the appropriateness of their expansion into new markets.”



To find out more about the activities of Somfy Participations:
www.somfy-participations.com

Our portfolio of companies

Somfy Participations favors two investment scenarios:

- majority investments (immediately or within a predefined timescale) in equity, in mid-cap companies with a long-term support plan,
- shareholdings, either majority stakes or as part of majority shareholder groups, in SMEs, with a moderate leverage effect.

€830.7M

CUMULATED SALES OF
THE SEVEN COMPANIES
IN THE PORTFOLIO

5,830

CUMULATED HEADCOUNT
(ESTIMATED)



FRANCE

Headquarters
CIAT, Culoz
La Buvette Group, Tournes
Pellenc, Pertuis
Sirem, St-Maurice-de-Beynost
Zurflüh-Feller, Autechaux-Roide

ITALY

Headquarters
FAAC, Bologna

SPAIN

Headquarters
Gaviota Simbac, Sax

Innovation: a development model



CIAT

Aquaciat 2 Hybrid: the benefits of a heat pump and a gas boiler

CIAT has strengthened its technological leadership on the climatic products market by launching the first hybrid heat pump based on a combination of thermodynamics and a gas boiler. The benefits: depending on the weather, the system automatically switches to the most effective, most energy-efficient technology. In November 2013, the Aquaciat 2 Hybrid received the Silver Trophy for Innovation at the Interclima fair in Paris.



GAVIOTA SIMBAC

Esenzia: an attractive glass canopy that creates an extra room

Gaviota Simbac continued to diversify its activities with this glass canopy system that is quick and easy to install, to enclose balconies and patios. Made from retractable sections, Esenzia provides a completely watertight, windproof structure with excellent soundproof qualities. The absence of vertical frames between the glass sections makes this a very attractive solution for the creation of an extra room or to save on heating.



PELLENC

Optimum: ground-breaking technology in the harvesting machinery sector

Optimum, the range of harvesting machinery launched by Pellenc in September, required 10 years of development and €9 million in investment. The result is a machine that has been entirely redesigned, part by part, featuring major innovations. Among the improvements are more effective grape sorting, comfort in the cabin, and an eco-friendly engine. Maneuvering is also new, using an electronic steering system that allows the machine to rotate on itself. Available in a range of seven models, Optimum suits all types of vineyard needs.



SIREM

Coveo®: the result of 10 years' experience in motorized covers for swimming pools

After two years in development, Sirem unveiled its new motor system for swimming pool covers at the end of 2013. Ten years after the introduction of the swimming pool safety law in France, the main innovation behind Coveo® is its rapid opening/closing feature and its ability to withstand extreme operation conditions (immersion, heat, storms, etc.). Coveo® offers a comprehensive solution to the market's needs for above-ground covers and immersed covers, as well as swimming pools of up to 150 m².



LA BUVETTE GROUP

Watering systems to improve the performance of livestock farmers

With 50 new products launched in the space of three years, La Buvette has made innovation the focus of its leadership among French livestock farmers. Marketed since 2013, the Normandy watering system reflects its continuous efforts to improve productivity for farmers and enhance animal wellbeing and security. Its adjustable height makes it suitable for both horses and cattle, while its rotomolded PEHD structure and stainless steel rim provide additional solidity.



ZURFLÜH-FELLER

Hop®: the roller shutter with motorized hinge

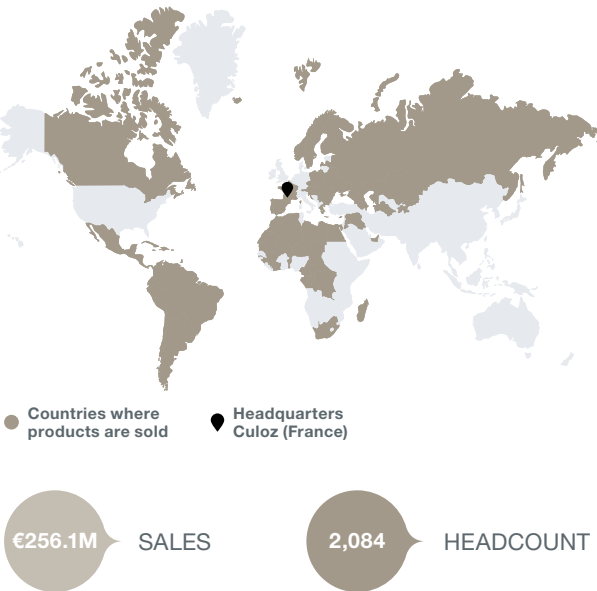
At the end of 2013, Zurflüh-Feller launched a system of components for the assembly of a new roller shutter with motorized hinge. This combines the advantages of natural light and ventilation with the benefits of traditional protection (thermal insulation, security, etc.).

The Somfy Participations portfolio at December 31, 2013

Name	Business	Holding %	First investment
CIAT	Equipment for air conditioning, air purification, heat exchange and renewable energy heating for the residential, commercial and industrial sectors.	46.1%	2008
FAAC	Gate and garage door systems and automatic controls, and car park payment systems.	34%	1990
Gaviota Simbac	Components and motors for roller shutters and awnings for assemblers and manufacturers.	46.5%	2001
La Buvette group	Cattle watering and enclosure equipment for the agricultural sector, and rotational molding activities.	25%	2012
Pellenc	Equipment for wine- and olive-growing and for garden maintenance.	47.2%	2011
Sirem	Electrical components (motors, pumps, etc.) for milk tanks, swimming pool covers and spa baths. Complete wellness products.	87.5%	2008
Zurflüh-Feller	Components and complete systems for roller shutters, for manufacturers and distributors.	100%	2008

CIAT

Operating in the commercial and residential construction sector, the CIAT group is one of Europe’s leaders in thermal management and air quality for buildings.



CIAT’s return to growth at the end of the year was not sufficient to offset the steep drop in sales in France during the first half, and sales fell by 5.3% in 2013. However, after four years of decline, the recovery of activity in Spain and Portugal (+1.2%) was cause for satisfaction. 2013 confirmed the effectiveness of CIAT’s development strategy targeting territories and markets with good potential for growth. The company benefited from dynamic activity in Eastern Europe (+17.7%), led by Russia and Turkey. CIAT also consolidated its position as Europe’s number two in the “rooftop” segment (air conditioning units installed on the roof). The “service” activity (maintenance, remote monitoring of energy efficiency, etc.) also grew.

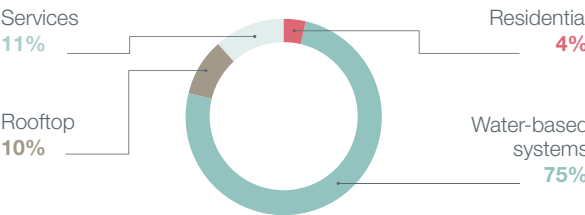
Despite the decline in business, the reduction of costs since 2010 has allowed the company to maintain the profitability and Ebidta it needs to fund its investment plans. CIAT launched its product development and industrial modernization plan of €30 million over three years, to prepare and sustain future growth in its core business. The aim is to update the range of air purification units, comfort units and heat pumps in order to offer innovative



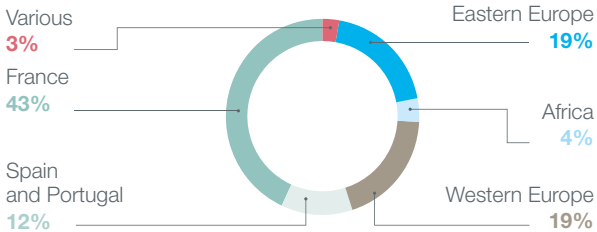
system solutions for building energy performance and air quality. This plan is combined with the rationalization of CIAT’s industrial facilities in order to create specialized production sites.

At the same time, CIAT pursued its targeted internationalization actions. Its new representative office in Morocco will allow it to accelerate the development of its activities in North African countries. In China, the creation of a subsidiary to produce energy storage units will support the growth of this niche market in the next few years, particularly on the Asian continent.

Breakdown of sales by product

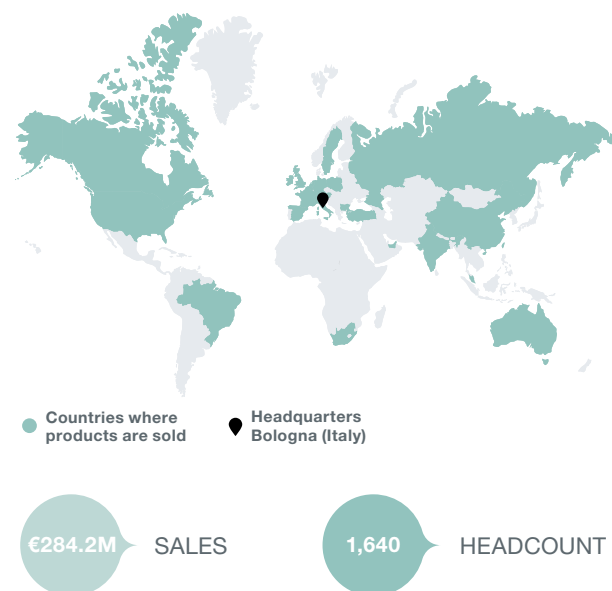


Breakdown of sales by region



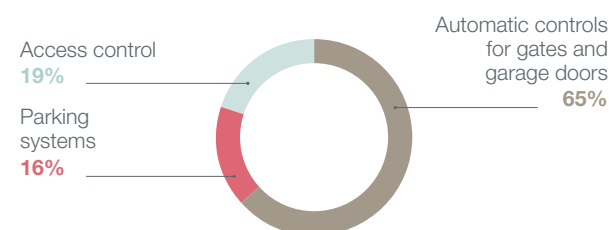
FAAC

FAAC is the leading European manufacturer of automatic systems for gates and garage doors. In the past three years, the Group has expanded its business to include car park payment systems, a market in which it is now the third biggest player worldwide.

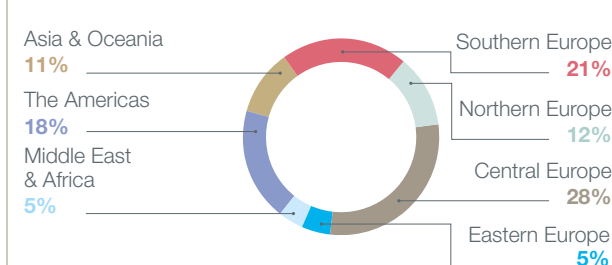


2013 was marked by the integration of two acquisitions, CTR in the United States, a company specializing in the maintenance of parking systems, particularly for airports, and Rossi Ltda, a major player in operators for gates and doors. In a sluggish context, FAAC maintained its profitability by reducing costs in line with synergies generated through acquisitions in previous years.

Breakdown of sales by product

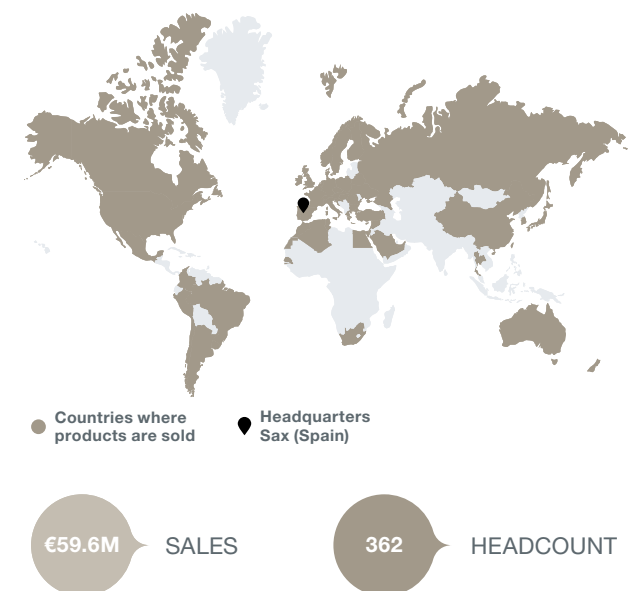


Breakdown of sales by region



Gaviota Simbac

Gaviota Simbac specializes in the manufacture of components and motors for roller shutters and awnings. Committed to its strategy of international expansion, the company continues to develop its activities.

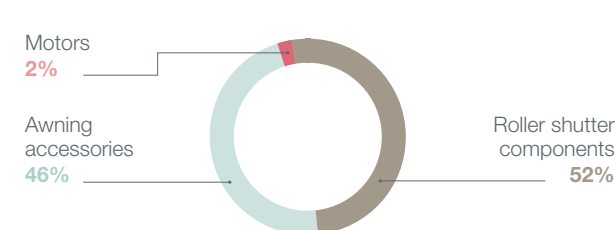


Gaviota Simbac has started to reap the rewards of investments made in the past five years in order to internationalize and expand its activities. Sales and EBITDA were up by 5% and 37%, respectively. Following a start of the year that remained affected by the crisis in Spain and Europe, emerging markets and innovation played their role in generating growth. This development is the result of several factors: the growing importance of markets in North Africa, the modernization of the Italian subsidiary, the development of new products and the increased proximity to markets and customers. In recent years, the expansion of business in the emerging territories of the Americas and Africa has taken place through the creation of subsidiaries that cover the entire value chain (sale of accessories, manufacture and installation of the finished product).

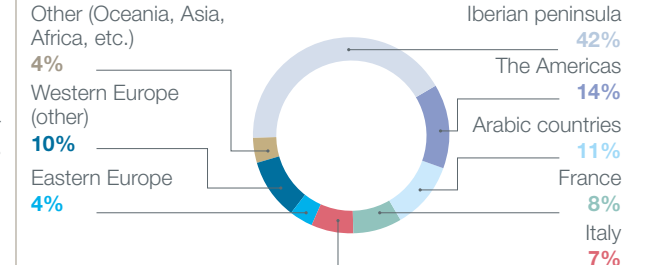
In 2013, Gaviota Simbac continued to deploy its strategy. In Uruguay, the acquisition of a 50% holding in Verasol, the leader in the awnings sector, has given it a foothold on this rapidly growing market. With this investment, Gaviota Simbac is also opening up to the decoration market in the whole of South America. The commercial integration of this company with Brazil will also enable

Gaviota Simbac to develop its activities throughout the region. In the awnings business, the launch of a new range of products has consolidated the company's market share through the acquisition of new customers in Europe, Asia, Africa and America. And in Morocco, Gaviota Simbac has established a small production unit to service the local market.

Breakdown of sales by product

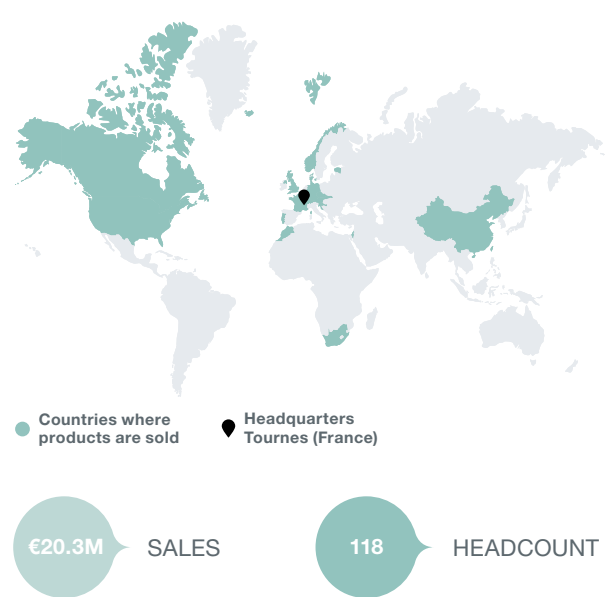


Breakdown of sales by region



La Buvette group

The La Buvette group is a holding company with four 100% owned companies operating in the livestock rearing and plastics sectors. La Buvette, its key brand, is the French leader in livestock watering systems.



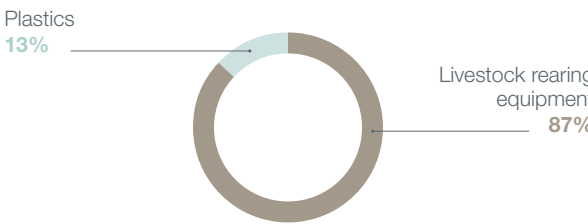
Operating on the livestock rearing equipment market, La Buvette and Satene posted very contrasting results. Positioned on the livestock watering segment, La Buvette's business suffered in the first half due to the combined impact of the weather and the economic crisis. This was only partially offset by the recovery in the second half. On the other hand, this deteriorated context benefited the business of Satene (+14% in sales), whose



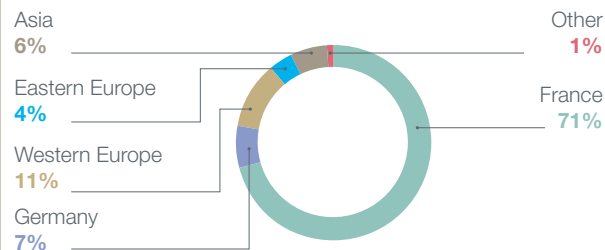
cattle enclosure equipment meets farmers' demands for long-term investments. In 2013, the two brands continued their strategy of innovation and the geographical expansion of their activities. La Buvette strengthened its presence in Germany in order to sustain its ambitions on this market. And Satene, a regional company, capitalized on La Buvette's commercial infrastructure in order to expand its activities at a national level. In China, the subsidiary La Buvette Tianjin crated in 2007 continued to benefit from the growth in dairy farming, gradually raising its profile as a key player. In 2013, its business was boosted by winning a number of tender bids. In the coming years it will focus on building a distribution network to accelerate its growth.

Set up in 1987 as a subcontractor to produce plastic tanks for La Buvette, Rotoplus understandably suffered from the decline in its business. However, the strong increase in sales to new customers compensated for this fall. A key element of the company's strategy is the diversification of its markets, which continued in 2013 with the manufacture of tanks for on-site sanitation. At the same time, Rotoplus restructured its internal operations to improve its competitiveness.

Breakdown of sales by product

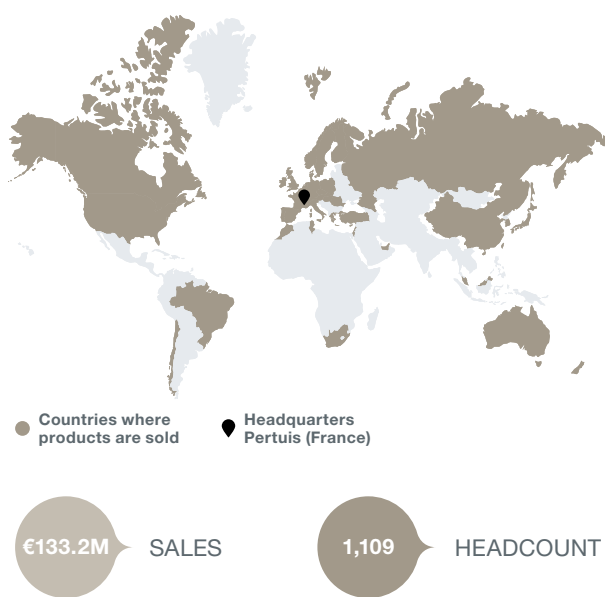


Breakdown of sales by region



Pellenc

A manufacturer of agricultural equipment, the Pellenc group is the world leader in the wine- and olive-growing sectors. Since 2008, Pellenc has also been producing highly innovative tools for park and garden maintenance.



Business in 2013 (+10% in sales) was varied across countries and markets. The mediocre harvests in France affected sales of harvesting machinery. On the other hand, the market for olive-growing equipment was buoyed by exceptional crops in Italy and Spain. On this territory, Pellenc saw an upturn in business due to its stronger presence on the wine-growing market.

Several significant inroads into less mature markets confirm that the company is following the right strategy of innovation and internationalization. On the market for park maintenance tools, the opening of a German subsidiary in 2012 has produced promising results, with sales up by 25%. Cellar equipment posted a very good performance in South-American subsidiaries.

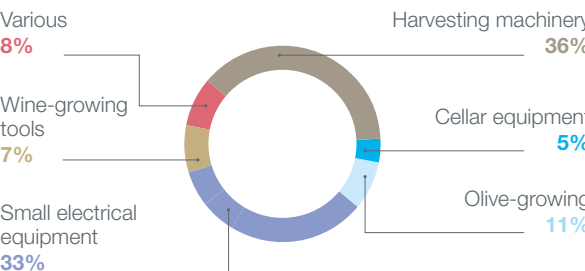
In 2013, Pellenc accelerated its strategy of development through innovation. The launch of a new range of harvesting machinery should lead to a significant growth in market share over the next three years, with the aim of becoming the world leader in time. In addition, the purchase price of the new range of optical sorting equipment for grapes was reduced,



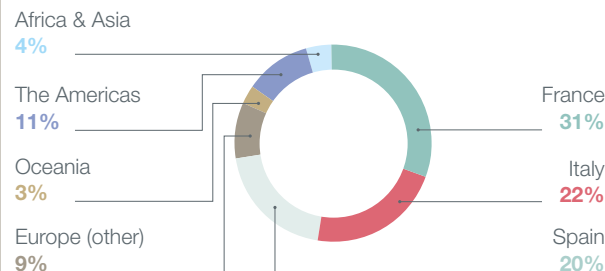
with the aim of making this type of machinery available to as many wine growers as possible.

Pellenc also extended its range of cellar equipment through the acquisition of Pera (€30 million in sales for 2013), which took effect in January 2014. The aim is to establish a position as world leader on the market for turnkey storage and engineering solutions for wine growing. Lastly, in France, Pellenc secured its distribution by creating a subsidiary that enables it to deploy its own sales force in the Charente and Gironde regions.

Breakdown of sales by product

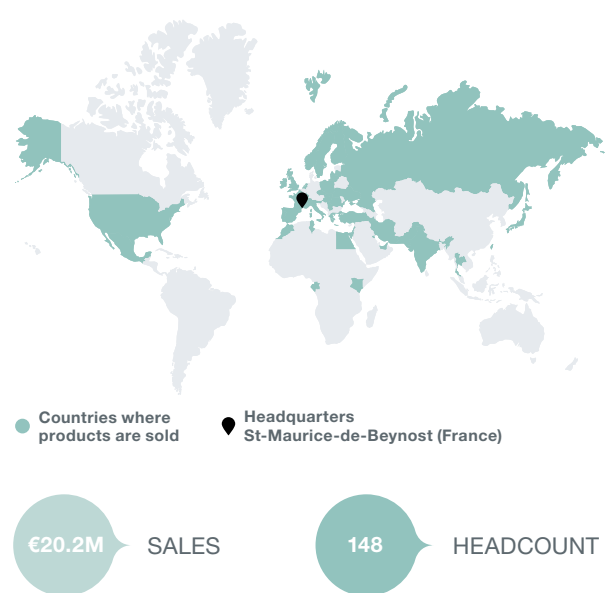


Breakdown of sales by region



Sirem

A manufacturer of electrical motorized solutions (motors, geared motors, pumps, etc.), Sirem is the leader in specialist applications such as milk tanks, swimming pool covers and spa baths. In the past four years, Sirem has also developed complete products for the wellness sector.

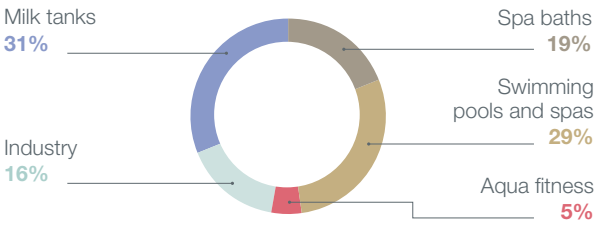


In 2013, Sirem posted a 7% fall in sales, mainly due to the decline of two activities: components for spa baths and the traditional market of milk tanks, which was affected by milk prices during the first half. In a very depressed swimming pool and spa market in France, Sirem's activities on this segment remained buoyant (+5% in sales). Growth was very marked for swimming pool pumps and covers. On the latter market, Sirem confirmed its leadership position, having equipped its products with nearly 100,000 pools in 10 years. Launched 18 months ago, the aqua fitness business doubled its sales thanks to

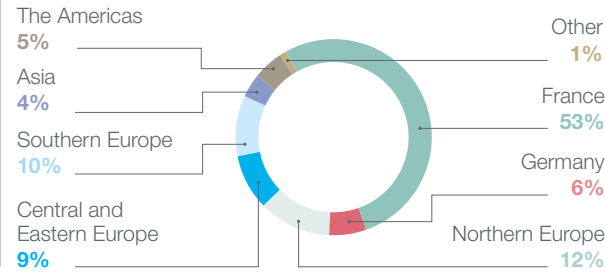
the launch at the end of 2012 of an individual aquabiking cabin for health centers. The pace of innovation remained high, with three patents filed. The launch of a new technology for swimming pool cover motors should lead to the gradual modernization of the whole range by 2015. The aquabiking solution continued to be improved in order to optimize its operation in professional settings. Sirem's internationalization strategy has focused on two areas. South America, where commercial reinforcement will enable the company to benefit from the growth of the spa bath market, and India and China, with the adaptation of the geared motor offer for milk tanks. Despite the decline in sales, and thanks to the combined effect of the increased margins and lower operating costs, the company's profitability improved significantly.



Breakdown of sales by product

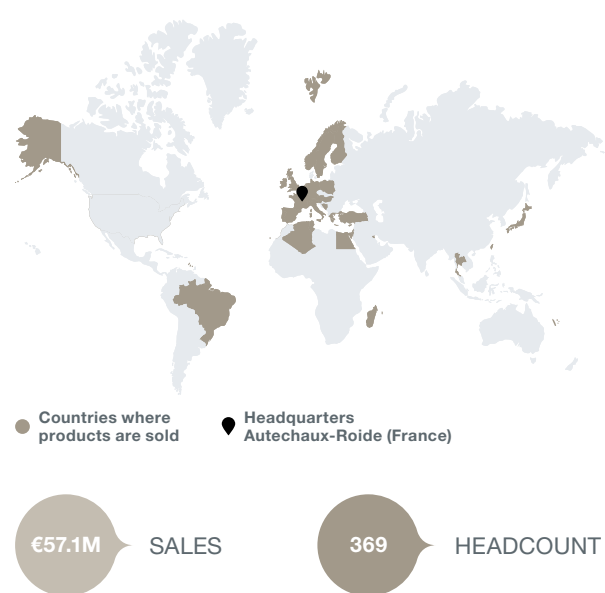


Breakdown of sales by region



Zurflüh-Feller

In France, Zurflüh-Feller is the leading supplier of accessories and systems for manufacturers and distributors of roller shutters.



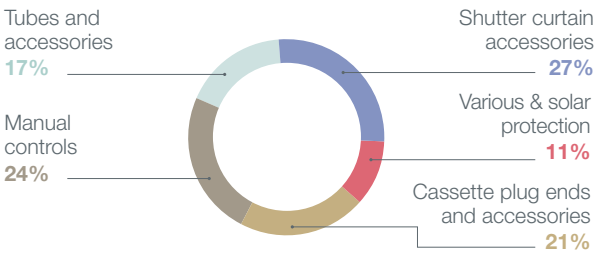
In 2013, business declined by 2.9% due to the situation on the French market, which is still very unfavorable. The impact was limited thanks to exports (+10.9% in sales), which partly offset the decline of sales in France (-4.4%). This growth in international sales came from some European markets such as Germany, as well as recently developed territories such as North African countries. Thanks to an extended and adapted product offer, and an expanded sales force, export sales have grown by 70% in four years, confirming the effectiveness of the internationalization strategy implemented since 2010. Zurflüh-Feller continued to develop its offer for roller shutters, in a move towards complete systems. The launch at the end of 2013 of two innovative products will help generate added value in the next two years. The company also continued to update its range of components, with the launch of plug ends for combined window shutter cassettes with integrated insulation, and end plates for tunnel cassettes.



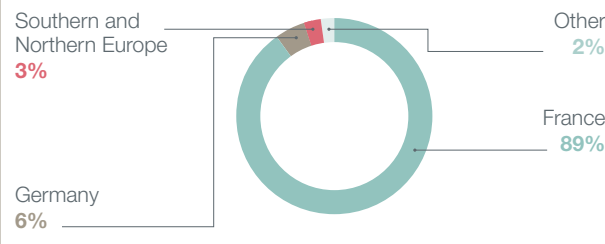
Efforts to improve productivity, particularly for purchases, allowed the company to maintain its profitability despite the fall in sales. Investments remained significant in 2013, at €4.3 million, in order to maintain industrial performance.

To accelerate the rationalization of production facilities and logistics, more than €10 million will be invested over the next three years. In line with its strategy, in 2014 Zurflüh-Feller will continue to develop its international sales in high-potential countries in Europe, North Africa and the Middle East, and to offer innovative new products.

Breakdown of sales by product



Breakdown of sales by region



2013 key figures for Somfy Group (at December 31)

The 2012 figures were restated following the application of revised IAS 19 standard, the change in the method of accounting for the CVAE tax and the recognition of deferred repayments of a financial nature in financial debt.

SOMFY GROUP RESULTS AND INDICATORS

Sales

(in € million)



Group sales were €996.8 million for the 2013 financial year, which is an increase of 0.7% in real terms compared to the previous period (up 3.2% on a like-for-like basis). Somfy Activities' contribution rose from €889.8 million to €922.8 million (+3.8% on a like-for-like basis). The greatest increases were recorded in Asia Pacific, the Americas and in Central and Eastern Europe. Germany and France also performed well, and the same is true of Southern Europe, which posted another positive result despite the continuing economic tension in most of the region. However, Northern Europe remained negative due to poor weather at the beginning of the year and stagnation in the construction industry. Somfy Participations' contribution fell from €103.1 million to €77.3 million (-4.1% on a like-for-like basis), mainly due to the deconsolidation of Cotherm. The two other fully integrated companies, Sirem and Zurflüh-Feller, recovered at the end of the period, but closed the year on a loss due to reduced sales during the first few months.

Current operating result

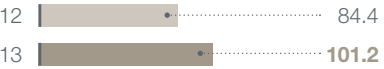
(in € million)



The Group's current operating result was €150.6 million for the financial year, up 13.9% in real terms, and representing 15.1% of sales, compared to 13.4% for the previous year. Somfy Activities' contribution grew from €127.5 million to €145.1 million (+13.8% in real terms), due to the growth in business as well as the stabilization in both capital expenditure and main expense items. Somfy Participations' contribution grew from €4.8 million to €5.7 million (+19.0% in real terms, +88.2% like-for-like), thanks to the improved results of the two fully consolidated companies and controlled structure costs.

Net profit

(in € million)



Consolidated net profit was €101.2 million for the financial year (+19.9% in real terms). It sustained a tax charge that rose sharply as a result of the recovery in profits and a provision for the ongoing tax dispute, and benefited from a balance of non-recurring items and of a substantially improved share of profit from equity investments.

Intangible assets and PPE investments

(in € million)



At €59.7 million (compared to €42.5 million in 2012), the level of intangible assets and PPE investments was in line with the implementation of the strategy (building of two new plants and acquisition of several companies).

Cash flow

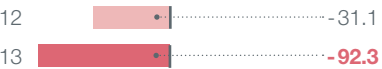
(in € million)



At €145.0 million, cash flow remained at a high level.

Net financial debt

(in € million)



At the end of December, the net financial surplus was €92.3million, compared to €31.1 million a year earlier. This was due to a marked decrease in working capital requirements and a high level of cash flow being maintained. It takes into account unlisted bonds receivable, issued by a number of related investments or entities, earn-out on acquisitions, liabilities attached to options granted to minority shareholders in fully consolidated companies, and deferred repayments of a financial nature.

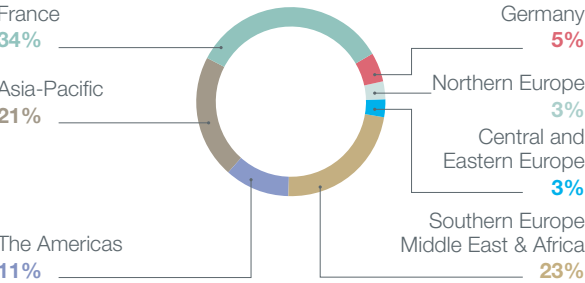
Sales by geographic region

(in € million)	December 31, 2013	December 31, 2012	Y/Y-1 change	Y/Y-1 change on a like-for-like basis
France	250.9	244.4	2.7%	2.7%
Germany	144.8	139.0	4.2%	4.2%
Northern Europe	87.8	89.6	- 2.1%	- 1.2%
Central and Eastern Europe	85.0	82.1	3.5%	5.2%
Southern Europe, Middle East & Africa	161.9	161.0	0.5%	1.6%
Asia-Pacific	94.1	89.9	4.7%	10.2%
The Americas	98.3	83.8	17.4%	8.1%
Somfy Activities	922.8	889.8	3.7%	3.8%
Somfy Participations	77.3	103.1	- 25.0%	- 4.1%
Intercos	- 3.3	- 3.3	1.0%	1.0%
Somfy consolidated	996.8	989.6	0.7%	3.2%

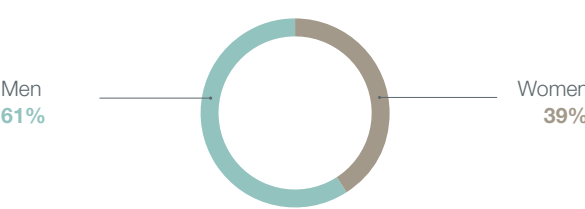
Headcount



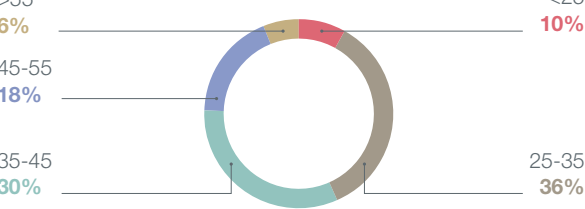
Headcount by region



Headcount by men/women



Headcount by age group



SOMFY GROUP RESULTS AND INDICATORS

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