

PRESS RELEASE OF 21 JUNE 2018

FILING OF A DRAFT SIMPLIFIED PUBLIC OFFER



MADE IN CONNECTION WITH THE COMPANY'S SHARE BUYBACK PROGRAMME
AUTHORISED BY THE COMBINED GENERAL MEETING OF 17 MAY 2018

SPONSORED BY



OFFER PRICE:

€75 per DOM Security share

OFFER PERIOD:

minimum 10 trading days

The Offer calendar shall be set by the French Financial Markets Authority in accordance with the provisions of its general regulation



This press release, relating to the simplified public offer of which the draft was filed with the French Financial Markets Authority (the "AMF") on 21 June 2018, is published in accordance with article 231-16 of the AMF general regulation.

THE DRAFT OFFER AND DRAFT OFFER DOCUMENT ARE STILL SUBMITTED FOR EXAMINATION BY AMF

The draft offer document is available on the DOM Security website (www.dom-security.com) and the AMF website (www.amf-france.org), and can be obtained free of charge from DOM Security, 20 rue de l'Arc de Triomphe, 75017 Paris and Degroof Petercam France Bank, 44 rue de Lisbonne, 75008 Paris.

In accordance with the provisions of article 231-28 of the AMF general regulation, information relating to DOM Security's characteristics, particularly legal, financial and accounting, shall be made available to the public, no later than the day before the opening date of the simplified public offer according to the same terms and conditions.

1. PRESENTATION OF THE OFFER

The Board of Directors of DOM Security, a société anonyme (French public limited company) with capital of €36,026,805, whose registered head-office address is 20, rue de l'Arc de Triomphe - 75017 Paris, registered with the Registry of Trade & Companies in Paris under number 378 557 474 ("**DOM Security**" or the "**Company**"), decided, by virtue of the authorisation to trade in its own shares granted to it by resolutions twelve and thirteen of the combined general meeting of shareholders of 17 May 2018, in accordance with article L. 225-209 of the French Commercial Code, to propose to DOM Security shareholders to buy back their shares, within the limit of 10.0% of the capital, i.e. a maximum number of 240,000 shares, in connection with the Company's share buyback programme approved by said general meeting of shareholders, in the form of a simplified public offer (the "**Offer**"). This Offer is made in accordance with the provisions of Title III of Book II and more particularly articles 233-1 6° et seq. of the AMF general regulation.

The Offer price is €75 per Company share: the dividend of €1.75 per share for the 2017 financial year was detached on 28 May 2018.

The Offer is for a maximum number of 240,000 shares, representing, on the date of this draft offer document, 10.0% of the share capital and 5.86% of the voting rights of the Company based on a total number of 2,401,787 shares and 4,098,745 theoretical voting rights calculated in accordance with article 223-11 of the AMF general regulation, it being specified that on this date the Company did not directly hold any of its shares. The Company intends to cancel the shares bought back in connection with the Offer.

DOM Security's shares are admitted to trading on compartment C of the regulated Euronext Paris market ("**Euronext Paris**") under code ISIN FR0000052839.

The Offer shall be made according to the simplified procedure governed by articles 233-1 et seq. of the AMF general regulation and shall be open for a maximum period of ten (10) trading days. It is sponsored by Degroof Petercam France Bank (the "**Sponsoring Institution**") which guarantees, in accordance with the provisions of article 231-13 of the AMF general regulation, the content and irrevocability of the undertakings made by the Company in connection with the Offer.

1.1. Reasons for the Offer and Company's intentions

1.1.1. Reasons for the Offer

In connection with a broader plan for the organisation of the SFPI Group, which could result in the merger of DOM Security with SFPI Group, the Board of Directors of DOM Security decided to offer partial liquidity by means of this Offer to its shareholders if they so wish based on their own asset management strategy. The Offer price includes a premium of 27.1% in relation to the closing price of DOM Security shares on 19 June 2018, i.e. the last day of trading preceding the announcement of the Offer, and premiums respectively of 25.1% and 24.6% on the volume-weighted averages of the stock prices over a period of one month and three months before this date.

As stated in paragraph 1.1.3 below, SFPI Group ("SFPI"), which holds 70.55% of the capital and 82.68% of the voting rights of the Company, stated its intention to not tender in the Offer. Consequently, the shareholders, other than SFPI, representing 29.45% of the capital and 17.32% of the voting rights may benefit from liquidity on at least 34% and their shareholding in connection with the Offer for 10% of the capital.

The Company's net cash (€21 million on 31 December 2017) enables financing of the Offer for an amount of €18 million.

In accordance with the objectives of the share buyback programme authorised by the combined general meeting of shareholders of 17 May 2018, the Company intends to cancel the shares bought back in connection with the Offer. The Company, which cancelled 42,165 of its own shares representing 1.73% of the capital on 17 May 2018, shall cancel a maximum number of shares representing 8.27% of the capital immediately after the Offer. The remaining shares acquired in connection with the Offer shall be cancelled from May 2020.

1.1.2. Company's intention for the coming twelve months

Strategy

The Company intends to continue its business in keeping with the strategy currently followed, subject to the provisions included below in the section "Synergies, economic gains, and merger prospects". The Offer shall have no impact on its industrial, commercial and financial policy.

Composition of corporate and management bodies after the Offer

The Offer shall not result in any change on the corporate bodies or Board of Directors of Dom Security.

Employment strategy

The Offer shall have no impact on employment strategy.

Dividend distribution policy

The Offer shall not modify DOM Security's dividend distribution policy. It is reiterated that the combined general meeting of shareholders of 17 May 2018 decided on the distribution of a dividend of €1.75 per share. This dividend was detached on 28 May 2018. Consequently, the Offer price is given after detachment of the 2017 financial year dividend.

Synergies, economic gains, and merger prospects

The Offer is part of a broader plan to simplify the structure of the SFPI group that should result in the merger of the Company with its majority shareholder SFPI. The principle of this project was presented to the Boards of Directors of both the Company and SFPI on 20 June 2018 and could be implemented on the basis of parity, for information only, of 20 SFPI shares for 1 DOM Security share. This transaction should be put to the vote at the general meetings of both companies in the final quarter of 2018.

Company's legal status

There are no plans to made modifications to the Company's articles of association following the Offer, except, firstly, where necessary to reflect the cancellation of the shares bought back in connection with the Offer and, secondly, in the event that the Company is merged with SFPI in connection with the aforementioned merger plan.

Compulsory buyout and delisting from Euronext Paris

As this is a bid for buyback by DOM Security of its own shares, the Offer shall not result in the implementation of a procedure for the buyout of the Company's shares listed on Euronext Paris. The Company and its majority shareholder therefore do not intend to request the delisting of the shares from Euronext Paris or to proceed to a compulsory buyout of DOM Security's shares.

1.1.3. Intentions of Company shareholders and members of the Board of Directors

SFPI's intention

SFPI stated its intention not to tender to the Offer the 1,694,385 shares that it holds in the capital of DOM Security representing 70.55% of the capital and 82.86% of the theoretical voting rights of the Company on 17 May 2018. For this reason, the Company appointed the company Farhouat as independent appraiser, in accordance with article 261-1 I 3° of the AMF general regulation.

It is specified that SFPI is a société anonyme (French public limited company) with capital of €80,972,875.80, whose registered head-office address is 20, rue de l'Arc de Triomphe, 75017 Paris, registered with the Registry of Trade & Companies in Paris under number 393 588 595. SFPI's shares are admitted for trading on compartment C of the regulated Euronext Paris market ("**Euronext Paris**") under code ISIN FR0004155000.

Intention of members of the Board of Directors

The members of the Board of Directors of Dom Security have each stated that they do not intend to tender their Dom Security shares to the Offer.

Intention of other shareholders

The Company has not received any undertakings from shareholders to tender in the Offer.

1.1.4. Agreements liable to have a significant impact on the appraisal of the Offer or its outcome

To the Company's knowledge, no agreement is liable to have an impact on the Offer.

2. OFFER CHARACTERISTICS

2.1. Offer conditions

2.1.1. Offer legal framework

Authorisation of the share buyback programme

The Offer constitutes the implementation of the share buyback programme that was authorised by the combined general meeting of shareholders of the Company of 17 May 2018, in accordance with the provisions of article L. 225-209 of the French Commercial Code, by means of ordinary resolutions twelve and thirteen, the following terms of which are presented in paragraph 2.1.1 of the draft offer document.

In accordance with article 241-2 of the AMF general regulation, the description of the share buyback programme is available on the Company's website (www.dom-security.com).

Draft offer implementation decision

At its meeting of 17 May 2018, the Board of Directors informed its members that the Company was studying the possibility of the Company making a simplified public offer for its own shares in connection with the buyback authorisation that the general meeting of shareholders granted to the board of Directors on 17 May 2018. Particularly taking account of the intention stated by the Company's main shareholders not to tender their securities to such a draft bid, the Board of Directors decided to appoint the company Farthouat Finance as independent appraiser, in accordance with articles 261-1 I 3° of the AMF general regulation, in order to give an opinion on the fairness of the price offered in connection with the Offer.

At its meeting of 20 June 2018 and particularly in view of the independent appraiser's report, the Board of Directors definitively approved the terms of this Offer and issued the reasoned opinion mentioned in Section 5, below.

Transactions carried out in connection with the Company's share buyback programme

On the date of the draft offer document, the Company had not carried out any transactions in connection with the share buyback programme.

2.1.2. Offer terms

In accordance with the provisions of article 231-13 of the AMF general regulation, Degroof Petercam France Bank, acting on behalf of DOM Security, filed the Offer and draft offer document with AMF on 21 June 2018. Degroof Petercam France Bank guarantees, in accordance with the provisions of article 231-13 of the AMF general regulation, the content and irrevocability of the undertakings made by the Company.

This Offer and this draft are still submitted for examination by AMF.

In connection with this Offer which shall be made in accordance with the simplified procedure governed by articles 233-1 et seq. of AMF general regulation, the Company irrevocably undertakes to acquire from DOM Security shareholders, in connection with its share buyback programme authorised by its combined general meeting of 17 May 2018, a maximum number of 240,000 shares at the price of €75 per share for a minimum period of 10 trading days.

The price takes account of the distribution of a dividend of €1.75 per share following the vote of the combined general meeting of shareholders of 17 May 2018.

2.1.3. Number of securities for which the Offer is made

The Offer is for a maximum number of 240,000 shares, representing 10.0% of the share capital and 5.86% of the theoretical voting rights of the Company on the date of this draft offer document.

On the date of this draft offer document, there are no other equity securities, financial instruments or rights potentially giving access, immediately or eventually, to the share capital or the voting rights of the Company.

2.1.4. Offer terms and conditions

The Offer and the draft offer document were filed with AMF on 21 June 2018. A notice of filing was published by AMF on its website (www.amf-france.org).

In accordance with article 231-16 of the AMF general regulation, the draft offer document as filed with AMF was published on the AMF website (www.amf-france.org) and the Company's website (www.dom-security.com) and can be obtained free of charge from DOM Security and the Sponsoring Institution.

A press release including the key points of the draft offer document was issued by the Company on 21 June 2018.

The AMF shall publish on its website a reasoned statement of compliance relating to the Offer after ensuring the compliance of the Offer with the legal and regulatory provisions applicable thereto. This compliance ruling shall constitute approval of the offer document. As the offer document has been approved by AMF and the information relating to the characteristics, particularly legal, financial and accounting, of the Company shall, in accordance with the provisions of articles 231-27 and 231-28 of the AMF general regulation, be made available free of charge to the public by the Company and the Sponsoring Institution, at the latest on the day before the Offer's opening date. These documents shall also be available on both the DOM Security website (www.dom-security.com) and the AMF website (www.amf-france.org)

Prior to the opening of the Offer, AMF shall publish an opening and calendar notice, and Euronext Paris shall publish a notice announcing the terms and conditions and calendar of the Offer.

The Offer shall be open for a minimum period of 10 trading days and shall be centralised by Euronext Paris.

A calendar for information only is proposed below:

21 June 2018	Filing of the Company's Offer and draft offer document with AMF
	Public release and online publication of the offer document on both the AMF website and the Company's website
25 June 2018	Publication of a press release on the filing of the draft offer document
10 July 2018	Declaration of compliance of the Offer by AMF constituting approval of the offer document

11 July 2018	Public release and online publication on both the AMF website and the Company's website of (i) the Company's offer document approved by AMF and (ii) the "Other information" document relating to the Company's legal, financial and accounting characteristics
13 July 2018	Opening of the Offer
26 July 2018	Closing of the Offer
30 July 2018	Publication by AMF and Euronext of the outcome of the Offer
Early August 2018	Payment-delivery of shares tendered to the Offer

2.1.5. Office share tendering procedure

The shares tendered to the Offer must be freely tradable and free of any liens, pledge, security interests or other securities or restrictions of any kind whatsoever restricting free transfer of their ownership. The Company reserves the right to rule out any share tendered not meeting this condition.

Company shareholders whose shares are registered via a financial intermediary (credit institutions, investment dealers, etc.) and who want to tender their shares to the Offer must submit to their financial intermediary, at the latest on the Offer closing date, an irrevocable order to tender in the Offer in accordance with a template that shall be made available to them by this intermediary.

Shareholders whose shares are registered in "pure registered" form on the Company's books (kept by its broker CACEIS Corporate Trust), must request their registration in "administered registered" to tender their shares to the Offer unless they have requested conversion into bearer securities in advance. The Company alerts shareholders to the fact that if they expressly request conversion into bearer securities, they shall lose the advantages relating to holding of shares in registered form for the proportion of shares that are not accepted in accordance with the scaling-down rules mentioned below.

No commission shall be paid by the Company to financial intermediaries through which shareholders shall tender their shares to the Offer.

2.1.6. Centralisation of orders

Each financial intermediary and institution keeping books of registered Company shares must, by the date stated in the Euronext Paris notice, transfer to Euronext Paris the Company's shares for which they have received an order for tender to the Offer.

After receipt by Euronext Paris of all the orders for tendering to the Offer under the conditions described above, Euronext Paris shall centralise all these orders and determine the outcome of the Offer.

2.1.7. Scaling-down mechanism in connection with the Offer

If the number of shares tendered in reply to the Offer exceeds the maximum number of 240,000 shares that the Company irrevocably undertakes to acquire, the scaling-down rules specific to simplified public offers stipulated in article 233-5 of AMF general regulation shall be applicable and,

for each shareholder replying to the Offer, their request shall be scaled down in proportion to the number of shares tendered to the Offer subject to rounding.

Shares that shall not have been accepted in connection with the Offer due to this proportional scaling-down mechanism shall be returned to their holders subject to rounding.

2.1.8. Publication of Offer outcome and payment-delivery

The AMF shall report the definitive result of the Offer at the latest nine (9) trading days after closing of the Offer and Euronext Paris shall state in a notice the date and terms and conditions of delivery of the shares and payment of the capital.

No interest shall be due for the period between tendering of the actions to the Offer and the date of payment-delivery of the Offer.

On the payment-delivery date, the Company shall credit Euronext Paris the funds corresponding to the payment of the Offer. On this date, the shares tendered to the Offer and all the rights attached to them shall be transferred to the Company. Euronext Paris shall make the cash payment to the intermediaries through which the shares were tendered to the Offer from the payment-delivery date.

2.2. Offer charges and financing

2.2.1. Offer charges

All external charges, costs and expenses incurred in connection with the Offer by the Company, including the charges and fees of its lawyers and market authorities, are estimated to amount to a maximum of approximately €0.2 million (excl. V.A.T.).

2.2.2. Financing terms and conditions

In the event that a maximum number of 240,000 shares, representing, on the date of this offer document, 10.0% of the Company's share capital, is actually tendered to the Offer, the cost of acquisition of the Company's shares would be €18.0 million. The maximum cost of the Offer, including charges mentioned in paragraph 2.3.1 and based on a 100% Offer success rate, is accordingly estimated to be €18.2 million.

Although the Company has cash available to finance the Offer, it took out a bank loan of €18.3 million to properly manage its finances.

3. OFFER PRICE APPRAISAL

The Offer price appraisal, presented in section 3 of the draft offer document, was prepared by Degroof Petercam Finance based on a multi-criteria assessment. The Offer price is compared as follows to the results of the selected valuation methods:

	Valeur par action DOM Security	Prime / (Décote) induite par le prix de l'Offre
Approche boursière		
Données de marché		
Cours au 19/06/2018	59,00	27,1%
Cours moyens pondérés par les volumes		
Moyenne 1 mois	59,94	25,1%
Moyenne 3 mois	60,18	24,6%
Moyenne 6 mois	60,22	24,5%
Moyenne 12 mois	60,43	24,1%
Approche analogique		
Comparables boursiers		
EBIT 2018 – Médiane	77,68	(3,4%)
EBIT 2019 – Médiane	75,94	(1,2%)
Comparables de transactions		
EBIT 2017 – Médiane	86,54	(13,3%)
EBIT 2017 – Moyenne	77,96	(3,8%)
Approche intrinsèque		
Actualisation des flux de trésorerie		
Borne basse (CPMC : - 0,25%)	68,24	9,9%
Valeur centrale	71,03	5,6%
Borne haute (CPMC : + 0,25%)	74,05	1,3%
Actif net comptable		
ANC au 31 décembre 2017	39,28	90,9%

4. INDEPENDENT APPRAISER'S REPORT

The company Farthouat Finance, represented by Mrs. Marie-Ange Farthouat, was appointed as independent appraiser by the Board of Directors at its meeting of 17 May 2018, in accordance with articles 261-1 I 3°) of the AMF general regulation, in order to give an opinion on the fairness of the price offered and the conditions of the Offer.

The independent appraiser's concludes their report, reproduced in full in the draft offer document, as follows:

Value summary table

CRITERE	VALEUR	PRIME/(DECOTE)
Cours de Bourse		
Dernier (13/06/2018)	59,0	27%
Moyenne 1 mois	60,1	25%
Moyenne 3 mois	60,2	25%
Moyenne 6 mois	60,2	25%
Moyenne 12 mois	60,2	25%
Comparables Boursiers		
VE/EBIT 2018	75,2	0%
VE/EBIT 2019	74,9	0%
Transactions comparables (à titre indicatif)		
Bas	74,2	1%
Haut	85,4	-12%
Actualisation des Cash-Flows disponibles		
Bas	69,5	8%
Valeur centrale	74,7	0%
Haut	80,7	-7%

This Simplified Public Offer is for 240,000 DOM SECURITY shares representing approximately 10% of its capital.

This Simplified Public Offer allows minority shareholders who so wish to sell a proportion of their securities.

The price of €75 per DOM SECURITY share offers liquidity for minority shareholders on approximately one third of their shareholding with a significant premium on stock prices.

The price of €75 per share is very close to the values resulting from the multi-criteria analysis which includes cash-flow discounting, comparable stock prices and comparable transactions (for information only).

The price of €75 per DOM SECURITY share is fair for minority shareholders in connection with this Simplified Public Offer.

5. REASONED OPINION OF THE BOARD OF DIRECTORS

DOM Security's Board of Directors met on 20 June 2018, chaired by Mr. Henri Morel, Chairman of the Board of Directors, to examine the Offer and issue a reasoned opinion on the interest and consequences of the Offer for the Company, its shareholders and its employees.

Mr. Henri Morel, Mr. Jean-Bertrand Prot, Mrs. Sophie Morel, SFPI Group represented by Mrs. Sarina Desfontaine, Mr. Thierry Chevalier represented by Mr. Henri Morel and Mrs. Valentine Laude represented by Mr. Jean-Bertrand Prot were present or represented. Mr. Hermann Röser was absent and excused. N.B. Messrs. Morel and Prot and Mmes. Morel and Laude are also directors of SFPI.

The Board of Directors' reasoned opinion issued on 20 June 2018 is reproduced in full below: At this meeting of 20 June 2018, the Company's Board of Directors took cognizance of (i) the full terms of the planned transaction, as presented in the draft offer document drawn up by the Company which particularly contains the characteristics of the Offer, the Company's reasons and intentions, and the appraisal of the Offer price drawn up by Degroof Petercam Finance and (ii) the report drawn up by Mrs. Marie-Ange Farthouat, of the company Farthouat Finance, acting in the capacity of independent appraiser, in accordance with article 261-1 I 3° of the AMF general regulation concluding on the fairness of the price offered in connection with the Offer.

The Board of Directors accordingly observed that:

- As SFPI has already stated its intention to not tender its securities to the Offer representing approximately 70.5% of the capital and 82.7% of the voting rights of the Company; the Offer represents an immediate, though partial, liquidity opportunity for all the Company's other shareholders tendering their securities to the Offer, at the price of €75 per share; N.B. this price offers a premium of 27,1% in relation to the closing price of 19 June 2018 and a premium of 25,1% on the average price over a period of one month before the announcement of the Offer;
- The Offer shall have no impact on the Company's industrial, commercial and financial policy and is part of a broader plan to restructure SFPI group; and
- The Offer shall have no impact on employment strategy or dividend distribution policy.

The Board then considered that the Offer was made in the interests of the Company, of its shareholders, and of its employees and that it constituted a satisfactory sale opportunity for shareholders (excluding SFPI) wishing to benefit from immediate, though partial, liquidity with an attractive premium in relation to the stock price, the Board considering that the price proposed is fair.

Consequently, the Board unanimously approved the draft Offer as presented to it under the terms of the draft offer document, and consequently decided to issue a favourable opinion on the Offer, and to recommend that the relevant Company shareholders tender their shares to the Offer.

In addition to SFPI's intention not to tender its securities to the Offer, the Board of Directors took cognizance of the fact that none of the directors would tender their shares to the Offer.

CONTACTS

SFPI Group

Nicolas Loyau (Chief Financial Officer)

Tel.: +33 (0)1 46 22 09 00

E-mail: nicolas.loyau@groupesfpi.com

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