



communiqué de presse **press** release

N° 43-08

Saft Groupe SA reports Quarterly Financial Information for the third quarter of 2008

Paris, 6th November 2008 - Saft, leader in the design, development and manufacture of high-end batteries for industry and defence, announces its sales for the third quarter of 2008.

Sales highlights

- Q3 2008 sales up by 4.9% YoY at €139.9m at constant exchange rates:
 - IBG +3.1%
 - SBG +13.1%
 - RBS (9.7)%
- September YTD 2008 sales up by 6.5% YoY to €446.3m at constant exchange rates:
 - IBG +10.7%
 - SBG + 6.4%
 - RBS (6.5)%
- Q3 2008 sales as reported are up 1.0% YoY and YTD sales are up 1.3% YoY. The recent USD recovery against euro had a very limited positive impact during this period.
- 2008 full year guidance is maintained with sales growth of 5-6% at constant exchange rates and EBITDA of at least 18% of sales.

John Searle, Chairman of the Management Board, commented:

“Saft’s performance in the third quarter continued to show the company’s overall resilience with Q3 sales growth of 4.9% YoY at constant exchange rates. The SBG Division’s continuing strong sales in the civil market and recovery in the military sales are the main growth drivers in the third quarter. The IBG Division also experienced sales growth despite a slowdown in the telecom network market, with the 2007 price increase effect being neutral during the quarter. RBS Division’s sales were satisfactory, noting that the selling prices within Rechargeable Battery Systems were indexed to a falling nickel price.”

In the third quarter, we saw no important changes in the level of activity in our main markets, with the single exception being the telecom network market. Saft’s overall market share in this market is small and we have announced the production launch of a new range of

telecom network batteries to broaden our customer base and range of addressable applications.

I can confirm that our 2008 full year guidance for sales and EBITDA remains unchanged.

Finally, the progress being made by Johnson Controls-Saft was highlighted during the recent Paris Motor Show, with the first viewing of the new BMW 7 series hybrid, and the announcement by Mercedes of the launch of an S Class diesel hybrid for 2010. Johnson Controls-Saft is now working on production contracts with Daimler, BMW and Chery Automotive, which highlights the progress being made to establish Johnson Controls-Saft as the leading Western provider of batteries for hybrid and electric vehicles.”

TURNOVER (€ millions, under IFRS)

Third quarter

Period	Q3 2008	Q3 2007	Growth / decline	
Exchange rate	Actual 2008	Actual 2007	at actual exchange rates	at constant exchange rates
IBG	67.1	67.3	(0.3)%	3.1%
SBG	55.0	51.2	7.4%	13.1%
RBS	17.8	20.1	(11.4) %	(9.7)%
Total	139.9	138.6	1.0%	4.9%

The average exchange rate in Q3 2008 was €1 to \$1.50 (compared with €1 to \$1.37 in Q3 2007). There was no change in perimeter between Q3 2007 and Q3 2008.

Q3 2008 sales of €139.9m were up 1.0% as reported and up 4.9% at constant exchange rates, compared with Q3 2007.

YTD (9 months to September)

Period	Sep YTD 2008	Sep YTD 2007	Growth / decline	
Exchange rate	Actual 2008	Actual 2007	at actual exchange rates	at constant exchange rates
IBG	216.2	204.6	5.7%	10.7%
SBG	172.6	172.9	(0.2)%	6.4%
RBS	57.5	63.2	(9.0)%	(6.5)%
Total	446.3	440.7	1.3%	6.5%

The average exchange rate in YTD September 2008 was €1 to \$1.52 (compared with €1 to \$1.34 in YTD September 2007).

There was no change in perimeter between YTD September 2007 and YTD September 2008.

Sales for the 9 months to September 2008 of €446.3m were up 1.3% as reported and up 6.5% at constant exchange rates, compared with the same period in 2007.

Industrial Battery Group (IBG)

In the third quarter, IBG sales decreased by 0.3% YoY as reported to €67.1m, but increased by 3.1% at constant exchange rates. The growth was essentially driven by volume with no impact from pricing.

In the first 9 months of 2008, IBG sales increased by 5.7% as reported to €216.2m, and by 10.7% at constant exchange rates compared to the same period in 2007.

During the quarter, there was strong growth in sales in all markets with the exception of the telecom network market. A key telecom client significantly reduced its purchases during Q3 and sales are expected to remain low during Q4 with limited visibility of the requirements for 2009. This reduction will be progressively offset by growing sales of the Tel.X range of batteries to be launched during Q4.

Following the reduction in the price of nickel during Q3, when the LME spot price averaged \$18.9k/t, Saft took advantage of this to hedge approximately 70% of the needs of the Division for 2009, giving improved visibility of the profitability of the Division during the coming year.

Specialty Battery Group (SBG)

The Division saw strong quarterly sales growth of 7.4% YoY as reported to €55.0m, and an increase of 13.1% at constant exchange rates.

The main drivers of this excellent performance were the continued high demand for Primary Lithium batteries in the civil markets, in conjunction with a recovery in military sales following the successful contract wins during the previous quarter.

During the first 9 months, sales have decreased by 0.2% as reported at €172.9m, which represents a growth of 6.4% at constant exchange rates.

Rechargeable Battery Systems (RBS)

In the third quarter, RBS sales decreased by 11.4% YoY as reported to €17.8m, and by 9.7% YoY at constant exchange rates, compared with Q3 2007. In the first 9 months, the sales are down 9.0% YoY to €57.5m and down 6.5% YoY at constant exchange rates.

RBS sales, net of nickel surcharge effect, increased slightly in the third quarter. The RBS Division has successfully recovered some business that had been lost in 2007 and early 2008, especially in the UK, that will impact sales volumes in 2009.

A number of announcements were made during the quarter that should help Saft's competitive position. In particular, the Chinese Government announced the end of the 13% tax credit on Ni-Cd battery exports and a reduction in the tax credit to 5% for Ni-MH batteries. Ni-Cd batteries are used in emergency lighting systems. These changes take effect on new orders effective from the 1st August 2008, but in reality will only have an impact from the beginning of 2009.

Financial calendar 2009

Saft has decided to move its annual financial calendar forward and in particular the release of half and full-year results, as the below table shows:

2008 turnover + Q4 turnover	30 January 2009
2008 Earnings release	19 February 2009
2009 Q1 turnover	29 April 2009
2009 Q2 turnover + Half year earnings	29 July 2009
2009 Q3 turnover	2 November 2009

IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans, objectives or results of operation. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and Saft's plans and objectives to differ materially from those expressed or implied in the forward looking statements.

About Saft

Saft (Euronext: SAFT) is a world specialist in the design and manufacture of high-tech batteries for industry. Saft batteries are used in high performance applications such as industrial infrastructure and processes, transportation, space and defence. Saft is the world's leading manufacturer of nickel-cadmium batteries for industrial applications and of primary lithium batteries for a wide range of end markets. The group is also the European leader for specialised advanced technologies for the defence and space industries. With approximately 4,000 employees worldwide, Saft is present in 18 countries. Its 15 manufacturing sites and extensive sales network enable the group to serve its customers worldwide. **For more information, visit Saft at www.saftbatteries.com**

Press and Investor Contacts:

Saft

Jill LEDGER, Corporate Communications and Investor Relations Director
Tel.: +33 1 49 93 17 77, jill.ledger@saftbatteries.com

FINANCIAL DYNAMICS

Valéry LEPINETTE, Tel.: +33 1 47 03 68 62: valery.lepinette@fd.com

Yannick DUVERGÉ, Tel.: +33 1 47 03 68 10, yannick.duverge@fd.com

Clément BENETREAU, Tel.: +33 1 47 03 68 12, clement.benetreau@fd.com