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## Saft Groupe SA reports fourth quarter and full year 2008 sales

**Paris, 30<sup>th</sup> January 2009** - Saft, leader in the design, development and manufacture of high-end batteries for industry and defence, announces its sales for the fourth quarter and the year ended 31 December 2008.

### Sales highlights

- Q4 2008 sales up by 0.7% YoY at €163.1m at constant exchange rates:
  - IBG (2.8)%
  - SBG +7.6%
  - RBS (7.6)%
- Full year 2008 sales up by 4.9% YoY at €609.4m, at constant exchange rates:
  - IBG +6.8%
  - SBG +6.7%
  - RBS (6.8)%
- Q4 2008 sales as reported are up by 2.1% YoY and by 1.5% YoY during full year 2008.

*John Searle, Chairman of the Management Board, commented:*

*“Saft is still showing sales growth during Q4 2008 but at a lower rate than seen in previous quarters. As anticipated, the top line growth driver during the quarter was the SBG Division, with a continued recovery in the military activities. The IBG Division saw a sharper slowdown in the telecom market than had been expected, whilst the performance of the RBS Division reflects the impact of falling nickel costs on selling prices.*

*The overall growth at 4.9% YoY at constant rates was a good performance in the changing economic conditions, with our two main divisions performing equally well.*

*I can confirm that I expect the EBITDA margin for the full year 2008 to be in line with guidance reconfirmed in November 2008.*

*During the last 3 months, Saft has announced further successes with its exciting emerging opportunities, notably the renewable energy project with ABB and a new production contract for Johnson Controls-Saft in the hybrid commercial vehicle market in the US with Azure. Deliveries of Li-ion batteries to Azure will begin in 2010.”*

## TURNOVER (€ millions, under IFRS)

### Fourth quarter

Period	Q4 2008	Q4 2007	Growth / decline	
Exchange rate	Actual 2008	Actual 2007	at actual exchange rates	at constant exchange rates
IBG	75.9	77.8	(2.4)%	(2.8)%
SBG	68.2	61.8	10.4%	7.6%
RBS	19.0	20.2	(6.1)%	(7.6)%
<b>Total</b>	<b>163.1</b>	<b>159.8</b>	<b>2.1%</b>	<b>0.7%</b>

The average exchange rate in Q4 2008 was €1 to \$1.32 (compared with €1 to \$1.45 in Q4 2007). There was no change in perimeter between Q4 2007 and Q4 2008.

Q4 2008 sales of €163.1m were up 2.1% as reported and up 0.7% at constant exchange rates, compared with Q4 2007.

### Year ended 31 December 2008

Period	FY 2008	FY 2007	Growth / decline	
Exchange rate	Actual 2008	Actual 2007	at actual exchange rates	at constant exchange rates
IBG	292.1	282.4	3.4%	6.8%
SBG	240.8	234.7	2.6%	6.7%
RBS	76.5	83.4	(8.3)%	(6.8)%
<b>Total</b>	<b>609.4</b>	<b>600.5</b>	<b>1.5%</b>	<b>4.9%</b>

The average exchange rate for 2008 was €1 to \$1.47 (compared with €1 to \$1.37 during 2007). There was no change in perimeter between 2007 and 2008.

Sales for the year ended 31 December 2008 of €609.4m were up 1.5% as reported and up 4.9% at constant exchange rates, compared with 2007.

### Industrial Battery Group (IBG)

In the final quarter of 2008, IBG sales decreased by 2.4% YoY as reported to €75.9m, and by 2.8% YoY at constant exchange rates.

There was a contrasting performance between markets during Q4 2008. Sales of industrial standby batteries continued to grow strongly, with the telecom and aviation markets being weaker. Sales to a key telecom customer reduced very sharply during the quarter and the expected slower demand in the aviation after-market was compounded by airlines and distributors destocking.

For the full year 2008, IBG sales increased by 3.5% YoY as reported to €292.2m, and by 6.8% YoY at constant exchange rates.

The nickel hedging position was unchanged during Q4 2008, as the Division has 70% of its 2009 needs hedged.

## Specialty Battery Group (SBG)

The Division had quarterly sales growth of 10.4% YoY as reported to €68.2m, which equated to an increase of 7.6% YoY at constant exchange rates.

During the quarter, the main growth driver was the military activities which registered strong quarterly growth. Initial sales were made to the US Army under the new multi-year contract coupled with large deliveries of Li-ion batteries to the Indian Army. Additionally, output of silver batteries was at record levels.

For the full year 2008, SBG sales increased by 2.6% YoY as reported to €240.8m, and by 6.7% YoY at constant exchange rates.

## Rechargeable Battery Systems (RBS)

During the quarter, RBS sales decreased by 6.1% YoY as reported to €19.0m, and decreased by 7.6% YoY at constant exchange rates.

As in earlier quarters, sales were impacted by falling nickel prices which averaged \$10.5k/t during Q4 2008 compared with \$18.9k/t during Q3 2008. The indexing of prices again accounted for almost all of the decrease in sales in the quarter, with only a very small reduction in volumes of approximately 1% being recorded.

For the full year 2008, sales decreased by 8.3% YoY as reported to €76.5m, and by 6.8% YoY at constant exchange rates. The emergency lighting market remains challenging but the Division remains focused on benefitting from reduced competition during 2009.

## . Financial calendar 2009

2008 earnings release	19 February 2009
2009 Q1 turnover	29 April 2009
2009 Q2 turnover and 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. Saft is listed in the SBF 120 index on the Paris Stock Market.*

*For more information, visit Saft at [www.saftbatteries.com](http://www.saftbatteries.com)*

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