



communiqué de presse **press** release

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Saft Groupe SA reports Quarterly Financial Information for the third quarter of 2009

Paris, 2nd November 2009 - Saft, leader in the design, development and manufacture of advanced batteries for industry and defence, announces its sales for the third quarter of 2009.

Main highlights

- Q3 2009 sales were €123.2m, an 11.9% reduction YoY as reported, and a 13.2% reduction at constant exchange rates.
- Sales reduction in Q3 was stable compared with Q2.
- YTD end September sales were €410.6m, down by 8.0% YoY at current exchange rates and down 10.9% YoY at constant exchange rates.
- The company believes the negative effect of customer destocking has started to decline.
- FY 2009 sales guidance of (7) to (10)% at constant exchange rates is maintained. Year end sales are likely to be towards the bottom of this guidance.
- EBITDA guidance maintained at a minimum of 18% of sales, excluding costs related to the Jacksonville investment project, estimated at \$1.5m in Q4 2009.

John Searle, Chairman of the Management Board, said:

“Challenging market conditions seen in H1 continued into Q3. However, while Saft has not seen a recovery in overall demand during the quarter, I do believe that we have reached, or are close to, the lowest point in the demand cycle. Activities the most impacted during H1 have performed slightly better during the last quarter and I believe that aggressive customer destocking is past its worst.

Anticipating an improving Q4 performance, I can confirm that our sales guidance for the full year remains unchanged, although sales are likely to be towards the bottom of the revised range advised in July. In addition, I can confirm that we expect year-end profitability to be in line with previous guidance.

More strategically, Saft remains very focussed on its exciting medium term growth prospects, with high performance Li-ion batteries and is delighted that its projects have been chosen by the US Government to receive grants to build new factories in North America. These investments will have a major impact on Saft's medium term growth and give Johnson Controls-Saft potential production capacity in the US to meet the needs of Ford and I hope other customers."

TURNOVER (€ millions, under IFRS)

Third quarter

Period	Q3 2009	Q3 2008	Growth / decline	
Exchange rate	Actual 2009	Actual 2008	at actual exchange rates	at constant exchange rates
IBG *	70.1	84.9	(17.4)%	(18.4)%
<i>IBG excl. RBS *</i>	55.7	67.0	(16.9)%	(18.2)%
<i>Former RBS *</i>	14.4	17.9	(19.5)%	(19.5)%
SBG	53.1	55.0	(3.4)%	(5.0)%
Total	123.2	139.9	(11.9)%	(13.2)%

* Effective from 1st July 2009, the IBG and RBS Divisions have been merged into an enlarged IBG Division. For comparison, figures for the activities under the earlier perimeter have been given.

The average exchange rate in Q3 2009 was €1 to \$1.43 (compared with €1 to \$1.50 in Q3 2008).
There was no change in perimeter between Q3 2008 and Q3 2009.

YTD (9 months to September)

Period	Sep YTD 2009	Sep YTD 2008	Growth / decline	
Exchange rate	Actual 2009	Actual 2008	at actual exchange rates	at constant exchange rates
IBG*	232.5	273.7	(15.1)%	(17.7)%
<i>IBG excl. RBS*</i>	189.2	216.2	(12.5)%	(15.4)%
<i>Former RBS*</i>	43.3	57.5	(24.6)%	(26.4)%
SBG	178.1	172.6	3.2%	(0.1)%
Total	410.6	446.3	(8.0)%	(10.9)%

* Effective from 1st July 2009, the IBG and RBS Divisions have been merged into an enlarged IBG Division. For comparison, figures for the activities under the earlier perimeter have been given.

The average exchange rate in YTD September 2009 was €1 to \$1.36 (compared with €1 to \$1.52 in YTD September 2008).

There was no change in perimeter between YTD September 2008 and YTD September 2009.

Industrial Battery Group (IBG)

Under the new perimeter, sales in Q3 totalled €70.1m, a reduction in sales of 18.4% at constant exchange rates and 17.4% at actual rates.

Industrial standby activity was weaker during Q3 and rail activity was affected by unfavourable project phasing. There was no notable change in the aviation market during the quarter.

The decline in telecom sales in Q3 was less marked with the new Tel.X product range starting to achieve sales with a number of operators, but with volumes increasing slowly.

In contrast, small battery activity (ex. RBS) saw sales decline less sharply than during the previous quarter with signs that customer destocking is declining while some market share has been gained in the emergency lighting market.

The merger of the IBG and RBS Divisions has taken place effective the 1st July 2009 and initial cost savings will be seen during H2 2009. The full impact of the synergies should be achieved in 2011 with around €5m of annual savings.

Specialty Battery Group (SBG)

Sales in Q3 totalled €53.1m, a YoY reduction of 3.4% at actual rates and a YoY reduction of 5% at constant exchange rates.

Demand from metering and electronics remained at similar levels to those seen during Q2 although again the effect of customer destocking is beginning to decline.

In sharp contrast, military and space had another strong performance. Demand from Saft's main military markets remains good and there was a favourable contribution from long term contracts.

Strategic investments for Saft

During August 2009, Saft announced that it had been selected by the US DoE to benefit from a 50% funding of the project cost of up to \$95.5m on a \$200m investment, in order to build a high volume Li-ion cell and battery plant, subject to successful contract negotiation. The plant, to be based in Jacksonville, Florida, will manufacture batteries for a number of Saft's existing markets (telecom back-up power, aviation and military), but most importantly, it will address the developing market for renewable energy storage.

Recent studies estimate the potential of this market to be very significant by 2015. Saft will complete this investment in 2012. The plant's objective is to generate sales of up to \$200m p.a. in 2015 when running at full capacity.

In addition to the DoE grants, this investment has been selected to benefit from additional subsidies and tax credits from both the City of Jacksonville and the State of Florida totalling up to \$20.8m. The contract with the US DoE is anticipated to be signed before year end and construction would start immediately.

Johnson Controls-Saft

In addition to Saft's success above, Johnson Controls-Saft's industrial project in America was selected in August to receive from the US DoE a 50% funding of the project cost of up to \$299m (including \$13m for a supplier of the joint venture), subject to successful contract negotiation. The initial investment by the joint-venture, estimated at \$300m, will be a facility in Holland, Michigan. In addition, this investment has been selected to benefit from subsidies

and tax grants from the State of Michigan of up to \$148.5m, including \$100m of investment-related, refundable tax credit.

The plant's objective is to generate sales of up to \$450m p.a. at full capacity. It will be addressing the clean vehicle market which has been independently estimated to have potential to be in excess of €5bn in 2014-2015. The contract with the DoE is expected to be signed before year end with again the investments to start immediately.

The Johnson Controls-Saft venture already has a facility in Nersac France, which is fully operational and currently produces Li-ion batteries for Mercedes and will very shortly produce for BMW. Production capacity is being expanded to meet demand in 2010.

Finally, Johnson Controls-Saft has also recently been selected by Volkswagen to supply battery products for a fleet of electric vehicles and by Jaguar Land Rover for an HEV development that should lead to a future production programme, and by Ford for an electric commercial vehicle with Azure Dynamics.

Financial calendar 2010

2009 turnover + Q4 turnover	28 th January 2010
2009 Earnings release	19 th February 2010
2010 Q1 turnover	29 th April 2010
2010 Q2 turnover + Half year earnings	28 th July 2010
2010 Q3 turnover	3 rd November 2010

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. Saft draws attention to the risk factors described in pages 64 to 70 and 107 to 112 of Saft's registration document (Annual Report) registered on 2nd April 2009 with the *Autorité des marchés financiers* under No. R.09-014.

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

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