



# communiqué de presse **press** release

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## **Saft Groupe SA reports Quarterly Financial Information for the third quarter of 2010**

**Paris, 3<sup>rd</sup> November 2010** - Saft, leader in the design, development and manufacture of high-end batteries for industry and defence, announces its sales for the third quarter of 2010.

### **Sales highlights**

- Q3 sales of €135.4m, an increase of 9.9% YoY as reported and 4.4% at constant exchange rates.
- YoY growth recorded in both divisions during Q3.
- YTD sales of €425.4m, an increase of 3.6% YoY as reported and 1.1% at constant exchange rates.
- Full year sales growth is anticipated to be close to the middle of the 0 to +5% guidance confirmed in July.
- Confirmed EBITDA margin guidance increased to  $\geq 18.5\%$  of sales in July.

John Searle, Chairman of the Management Board, commented:

*"I am pleased to report sales growth in both of Saft's Divisions during Q3 and an overall return to sales growth year to date.*

*Overall, all activities that had recorded growth during H1 continued this trend, whilst the important industrial standby power activity performed more strongly in Q3 albeit not quite at the level of Q3 2009.*

*Finally, in our Specialty Battery Group division, faced with a challenging comparison, the military activities were weaker in Q3.*

*I now anticipate full year sales growth to be close to the middle of our sales guidance and can reconfirm the improved profitability guidance I gave with the H1 results announcement. "*

## TURNOVER (€ millions, at actual exchange rates)

### Third quarter 2010

	Q3 2010	Q3 2009	Growth / (Decline)	
			At actual exchange rates	At constant exchange rates
<b>IBG</b>	76.0	70.1	8.4%	4.0%
<b>SBG</b>	59.4	53.1	11.9%	5.0%
<b>Total</b>	<b>135.4</b>	<b>123.2</b>	<b>9.9%</b>	<b>4.4%</b>

The average exchange rate in Q3 2010 was €1 to \$1.29 (compared with €1 to \$1.43 in Q3 2009).

There was no change in perimeter between Q3 2009 and Q3 2010.

Sales for the quarter ending 30<sup>th</sup> September 2010 were €135.4m, an increase of 9.9% as reported and 4.4% at constant exchange rates.

### YTD (9 months to September)

	Sept YTD 2010	Sept YTD 2009	Growth / (Decline)	
			At actual exchange rates	At constant exchange rates
<b>IBG</b>	236.8	232.5	1.8%	(0.2)%
<b>SBG</b>	188.6	178.1	5.9%	2.7%
<b>Total</b>	<b>425.4</b>	<b>410.6</b>	<b>3.6%</b>	<b>1.1%</b>

The average exchange rate in YTD September 2010 was €1 to \$1.31 (compared with €1 to \$1.36 in YTD September 2009).

There was no change in perimeter between YTD September 2009 and YTD September 2010.

Year to date as of end September 2010, consolidated sales were €425.4m, a 3.6% increase YoY at current exchange rates and 1.1% at constant exchange rates.

### Industrial Battery Group (IBG)

Sales during Q3 were €76.0m, representing YoY growth of 8.4% as reported and 4.0% at constant exchange rates. Sales for the 9 months to the end of September totalled €236.8m, an increase of 1.8% YoY as reported and a small reduction of 0.2% at constant exchange rates.

In the stationary back-up power market, strong sales growth was again recorded in the telecom infrastructure activity, whilst in the industrial back-up power business, sales recovered but remained slightly below the Q3 2009 performance. This activity will benefit from an improved Q4 2010.

The transportation activity recorded overall growth during Q3, with a further strong increase in sales in the aviation market, contrasting with weaker sales in the rail activity. The slower performance in the rail market observed since the beginning of 2010 results from delayed contracts for new train programmes and weaker demand for replacement batteries from operators.

Finally, the small nickel battery activity (ex. RBS Division) again recorded double digit sales growth during the quarter, as it continues its recovery from the recession of 2009.

### **Specialty Battery Group (SBG)**

During the quarter, the SBG Division recorded sales of €59.4m, a YoY growth of 11.9% as reported and 5.0% at constant exchange rates. Year to date, sales totalled €188.6m, an increase of 5.9% YoY as reported and 2.7% at constant exchange rates.

As in the previous quarter, the growth driver was the civil electronics market and notably the metering activity. The space activity was a little stronger and this activity will benefit from a good Q4.

The military market recorded weaker sales YoY in Q3, notably due to weak sales of silver based batteries linked to the timing of contracts.

### **Investments in applications for the future**

The Jacksonville plant is progressing according to schedule. The building work will be finished at the beginning of 2011 with the first Li-ion production line for renewable energy storage due to begin manufacturing in Q3 2011.

Regarding Johnson Controls-Saft, Li-ion batteries for the HEV Balance commercial vehicle began to be delivered to Azure Dynamics in Q3 2010. These batteries are being assembled in Johnson Controls Saft's Holland, Michigan plant, from cells manufactured in Nersac, France.

The Holland, Michigan plant project is also progressing according to schedule and start of cell production is planned during summer 2011.

### **Financial calendar 2011**

2010 Q4 turnover + FY earnings	16 <sup>th</sup> February 2011
2011 Q1 turnover	28 <sup>th</sup> April 2011
2011 Q2 turnover + Half year earnings	27 <sup>th</sup> July 2011
2011 Q3 turnover	27 <sup>th</sup> October 2011

## **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 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 and world leader in lithium-ion satellite batteries. Saft is also delivering its lithium-ion technology to the emerging applications of clean vehicles and renewable energy storage. 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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