



# press release press release

N°25-11

## **Saft opposes Johnson Controls filing for dissolution of Johnson Controls-Saft Joint Venture**

**Paris, May 18, 2011** — Saft has been notified that Johnson Controls (JCI) has filed a petition for the dissolution of the Johnson Controls-Saft Advanced Power Solutions LLC (JCS) joint venture with the Chancery Court in Delaware under the Dispute Resolution Provisions set forth in the Johnson Controls-Saft LLC Operating Agreement signed in January 2006.

Johnson Controls Inc has advised that the dispute is based on a wish to expand the scope of JCS beyond the limits set within the 2006 Agreement.

Saft has advised JCI that it intends to oppose this filing as it sees no legitimate grounds for the dissolution. Saft has confidence in the strategy, the technological positioning, the management and employees of JCS and sees a profitable future for the venture as outlined in the current Business Plan. JCS has become an important player in the automotive HEV/PHEV/EV market and has won a number of significant production contracts with major clients.

Saft has made a number of constructive proposals to try to reach a compromise agreement with JCI and avoid any legal procedure. These proposals have been rejected by JCI. Nevertheless, Saft remains open to reaching a settlement that avoids protracted legal action and is in the best interests of its shareholders, customers and employees of JCS.

Saft believes that, whilst some adjustments in the scope of the JCS could be considered, it would not be in its strategic interest to address through JCS certain lithium-ion markets where Saft is already strongly positioned and enjoys a rapid development.

Saft wishes to reassure the customers of JCS that it remains committed to ensuring that the company will continue to operate to meet the needs of its customers until a satisfactory resolution to the dispute has been reached.

The net asset value of JCS within the balance sheet of Saft as of end March 2011 is approximately €45m. Saft recorded a loss of €16.9m in its 2010 accounts related to its 49% shareholding in JCS net result.

Saft is confident that a separation from JCI would not prevent Saft from addressing the clean vehicle market in the future, and will review its options once there is a resolution to this dispute.

Saft's core area of industrial batteries and specialty batteries, and in particular, its \$200m investment in Jacksonville, Florida, for the high growth energy storage, telecom network, military and aviation Li-ion markets are unaffected by this dispute.

#### **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 defense. 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 specialized advanced technologies for the defense and space industries and world leader in lithium-ion satellite batteries. Saft is also delivering its lithium-ion technology to new applications in clean vehicles and renewable energy storage. With approximately 4,000 employees worldwide, Saft is present in 19 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)*

#### **SAFT**

**Jill Ledger**, Saft Corporate Communications and Institutional Relations Director

Tel.: +33 1 49 93 17 77, e-mail: [jill.ledger@saftbatteries.com](mailto:jill.ledger@saftbatteries.com)

#### **FINANCIAL DYNAMICS**

Stéphanie BIA, Tel: +33 1 47 03 68 16, [stephanie.bia@fd.com](mailto:stephanie.bia@fd.com)

Yannick DUVERGÉ, Tel: +33 1 47 03 68 10, [yannick.duverge@fd.com](mailto:yannick.duverge@fd.com)