PRESS RELEASE

Saft Groupe SA reports 2011 fourth quarter sales, and full year sales and earnings

Paris, February 16, 2012 – Saft, leader in the design, development and manufacture of high-end batteries for industry and defence, announces its fourth quarter and annual sales along with its earnings for the period ending 31 December 2011.

Highlights

- Full year 2011 sales of €628.7m. Excluding a €7.4m non-recurring upfront royalty payment, 2011 sales growth was 7.1% YoY at constant exchange rates and 5.1% at actual rates.
- Reported EBITDA increased by 1.5% to €110.0m representing 17.5% of sales compared with 18.3% in 2010; €110.0m reported EBITDA includes a €7.4m positive impact from non-recurring upfront royalty payment.
- Net income of €75.0m including a €23.9m net profit from exit from Johnson Controls-Saft.
- Earnings per share of €2.98 as compared to €1.46 in 2010, of which €0.96 from discontinued operations.
- An increased ordinary dividend of €0.72 per share will be proposed at the Annual General Meeting as well as a special dividend of €1.0 per share.
- 2012 outlook: sales growth of ≥ 5% at constant exchange rates with an EBITDA margin of 16.5-17.0% of sales, compared with a restated 16.5% of sales in 2011.

John Searle, Chairman of the Management Board, commented:

“*2011 was a year of very important progress for our company. Firstly, the group sales grew strongly, at a rate above the historical trend, and secondly, this growth was driven by the excellent sales performance in many of Saft’s traditional activities: stationary back-up power batteries, lithium batteries for the electronics market and batteries for the space market where sales were at record levels.*

Finally despite some challenges from metal costs and exchange rates, the traditional activities of Saft remained very profitable.

Moving to Saft's major investments for the future, 2011 was a year of great development but also of change. The Jacksonville plant started producing Li-ion cells at the end of Q4 and made the first delivery of an Intensium Max container in February 2012. The negative impact of the launch of Jacksonville on the profitability of Saft was a little greater than expected but 2011 was an important year of transition from an investment project into a production site. Saft continues to win energy storage projects for lithium-ion batteries giving visibility for the coming months.

During 2011, Saft sold its shares in the Johnson Controls-Saft joint venture to Johnson Controls Inc. following a strategic disagreement with our former partner. A satisfactory settlement was concluded at the end of Q3 which enabled Saft to close the chapter on this venture.

The settlement has given Saft a very strong balance sheet and has increased the resources available to pursue our Li-ion strategy, noting that the Group has the freedom to re-enter the automotive market if attractive opportunities arise.

The refinancing of the Group's bank debt is now well advanced and the Group expects to finalise its refinancing before the end of first quarter 2012.

Following the successes of 2011 and the excellent financial strength of the Company, Saft will be proposing to the Annual General Meeting an increased dividend of €0.72 per share plus a special dividend of €1.0 per share to be paid in May 2012, whilst still retaining financial flexibility to pursue our growth strategy."

Fourth quarter sales

Excluding a non-recurring royalty fee of €7.4 million, Q4 2011 sales of €172.0 million were up 3.8% both as reported and constant exchange rates, compared with Q4 2010.

			Variations in %	
	Q4 2011	**Q4 2010**	**At actual exchange rates**	**At constant exchange rates**
IBG	96.2	94.4	1.9%	2.2%
SBG	75.8	71.3	6.3%	5.9%
Total	**172.0**	**165.7**	**3.8%**	**3.8%**

Sales numbers are at actual exchange rates.

The average exchange rate in Q4 2011 was €1 to $1.35 (compared with €1 to $1.36 in Q4 2010).

There was no change in perimeter between Q4 2010 and Q4 2011.

Full year consolidated results

(in € million)	Reported		
	2011	**2010**	**YoY Growth**
Revenues	628.7	591.1	8.4%
Gross profit	185.5	179.6	3.3%
Gross profit margin (%)	*29.5%*	*30.4%*	
EBITDA	110.0	108.4	1.5%
EBITDA margin (%)	*17.5%*	*18.3%*	
EBIT	80.3	78.3	2.6%
EBIT margin (%)	*12.8%*	*13.2%*	
Operating profit	79.9	78.7	1.5%
Net profit from continuing operations	51.1	48.4	5.6%
Net profit from discontinued operations	23.9	(11.8)	
Net profit for the period	75.0	36.6	104.9%
EPS (*€ per share*)	2.98	1.46	104.1%
EPS from continuing operations (*€ per share*)	2.02	1.93	4.7%

Reported revenue includes a non-recurring €7.4m ($10m) upfront royalty fee recorded as part of the agreement with Johnson Controls Inc. to terminate the Johnson Controls-Saft joint venture. Excluding that non-recurring revenue, EBITDA for 2011 year was €102.6m, representing 16.5% of sales.

Reported numbers for the financial year 2011 also include the impact of the launch of the Jacksonville Li-ion production facility. The negative impact of Jacksonville on 2011 EBITDA was €(9.6)m as compared to €(1.5)m in 2010.

For the purposes of comparison, the EBITDA margin of the Group, excluding the above, was 18.1% of sales compared to 18.6% in 2010.

2011 Consolidated Financial Statements approved by the Saft Groupe SA Management Board have been reviewed by the Supervisory Board on February 10, 2012. These Consolidated Financial Statements have been certified by the Group's Auditors on February 13, 2012.

Full year results by product line

	Year ended December 31, 2011				Year ended December 31, 2010		
	Revenues (€m)	Variations (%)	EBITDA [1] (€m)	EBITDA [1] margin (%)	Sales (€m)	EBITDA [1] (€m)	EBITDA [1] margin (%)
IBG [1]	350.2	7.5%	43.7	12,5%	331.1	52.7	15.9%
SBG	271.1	6.7%	64.4	23.8%	260.0	59.2	22.8%
Other [2]	7.4	ns-	1.9	n.s.	-	(3.5)	n.s
Total	**628.7**	**8.4%**	**110.0**	**17.5%**	**591.1**	**108.4**	**18.1%**

All at actual exchange rates, except sales growth which is at constant exchange rates.

The average exchange rate in 2011 was €1 to $1.39 (compared with €1 to $1.33 in 2010).

(1) *EBITDA of IBG division is restated to exclude the impact of the Li-ion facility in Jacksonville, representing a negative EBITDA contribution of €(9.6) million in 2011 and €(1.5) million in 2010.*

(2) *The "Other" cost centre includes the cost of corporate support services, i.e. primarily IT, research, corporate management, finance and administration. In 2011, it furthermore includes a non-recurring upfront royalty payment of €7.4 million booked as a result of the agreement to end the joint venture with Johnson Controls Inc. This non-recurring revenue is excluded from above numbers.*

Industrial Battery Group (IBG)

IBG sales in Q4 reached €96.2m, showing a 1.9% increase at actual exchange rates and a 2.2% increase at constant rates, compared to 2010.

IBG sales for the full year of €350.2m registered a 7.5% growth at constant exchange rates and a 5.8% growth as reported.

In the stationary back-up power market, strong sales growth was recorded throughout the year in both the industrial stand-by back-up power business and telecommunication network activities. Overall, sales in the stationary back-up power market registered 23% sales growth in 2011.

Transportation sales grew by 3.0% in 2011 at constant exchange rates. That growth came almost entirely from the aviation business which grew at a faster rate than the historical average, while the rail business was stable in 2011.

Finally, markets for the small nickel batteries recorded a 13.9% reduction in sales, affecting both the emergency lighting and professional electronics segments.

Excluding the impact of Jacksonville, the profitability of the division's activities was down year-on-year by 120 basis points, with an EBITDA margin of 15.2% of sales for 2011 compared with 16.4% in 2010. This performance results from lower gross margin, due to unfavourable nickel costs and some foreign exchange headwinds.

Jacksonville EBITDA for the year was negative by €(9.6) million or $(13.3) million, a year when the first production line was installed and commissioned, with initial production of cells in December. This negative contribution is to be compared with a 2010 EBITDA of €(1.5) million.

Specialty Battery Group (SBG)

SBG achieved sales of €75.8m in Q4, showing an increase of 6.3% at actual exchange rates and 5.9% at constant exchange rates.

Driven by civil markets, as in 2010, the division's revenue in 2011 reached €271.1 million, an increase of 4.3% at actual exchange rates and 6.7% at constant exchange rates.

Good performance in 2011 resulted from a sharp increase in sales in the civil activities of 18%, at constant exchange rates. Strong sales growth was not only reported in the meter and smart metering systems markets but also in some niche markets. With a strong backlog and a good order intake, the space market had a record growth in sales in 2011.

As a result of stronger sales in H2, the contraction in sales in military markets was 12% in 2011. The reduction came from project-based businesses while sales of replacement batteries for radios and other military portable equipment increased slightly year-on-year.

Alongside its revenue growth, the SBG division has also improved its profitability. The division's EBITDA margin was 23.8% in 2011, compared with 22.8% in 2010. The improvement in profitability is largely due to operational gearing.

Other financial highlights of the period

The net financial expense in FY 2011 was €11.0 million, a reduction of €7.8 million on 2010. This resulted from reduced net interest costs by €1.7m and a positive result from foreign exchange of €3.7m, compared to a net loss of €2.5m from foreign exchange in 2010.

Restated to exclude the impact of Johnson Controls-Saft, the net profit from continuing operations was €51.1m in 2011, compared with a 2010 net profit of €48.4m on a comparable basis, 5.6% growth year on year. Earnings per share from continuing operations was €2.02 as compared with €1.93 in 2010.

Net profit from discontinued operations for 2011 was €23.9m, compared with a net loss of €11.8m in 2010. This included Saft Groupe's share in the net loss of the Johnson Controls-Saft joint venture up to the date of disposal together with the capital gain on the disposal of that shareholding. 2011 earnings per share from discontinued operations was €0.96 per share.

Finally, the Group's net profit for FY 2011 totalled €75.0 million, compared with a net profit of €36.6 million in 2010.

Due to good cash generation from activities and the $145m proceeds from the disposal by Saft of its 49% stake in Johnson Controls-Saft, the Group ended 2011 with a very strong cash position of €267.2m, leaving the Group with full flexibility to address future opportunities.

The Group's net debt at 31 December 2011 stood at €69.6m compared with €135.4 million at the end of 2010. The refinancing of the Group's bank debt is now well advanced and the Group expects to finalise it before the end of the first quarter of 2012.

This strong balance sheet enables Saft to propose an increased dividend of €0.72 per share as well as a special dividend of €1.0 per share.

Jacksonville project

Start of production for the first line took place during the last weeks of 2011 with the initial deliveries of lithium-ion cells to one of the Saft Group's European sites for integration into finished batteries. The first Intensium Max 20 container fully manufactured at Jacksonville was delivered on February 1st 2012, a successful start for this new lithium-ion plant that has several additional containers currently in production.

Saft has announced a new contract with Green Charge Networks for a smart grid programme in the New York City area. The Li-ion telecom battery Evolion® is also attracting significant customer interest with multiple units being shipped for test and qualification.

Outlook for 2012

Despite uncertainties in worldwide GDP growth for 2012, the Group anticipates continued growth in its traditional activities and markets as well as a significant contribution from Jacksonville. Overall, sales in 2012 should grow by ≥ 5% at constant exchange rates.

Saft is guiding an EBITDA margin in the range of 16.5-17.0% of sales.

Financial calendar for 2012

2012 Q1 turnover	**26 April 2012**
Annual General Meeting	**11 May 2012**
2012 Q2 turnover and half year	**25 July 2012**
2012 Q3 turnover	**25 October 2012**

An investor and analysts' presentation is available on www.saftbatteries.com.

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 leader in the design and manufacture of advanced technology batteries for industry. The Group is the world's leading manufacturer of nickel batteries and primary lithium batteries for the industrial infrastructure and processes, transportation, civil and military electronics markets. Saft is the world leader in space and defence batteries with its Li-ion technologies which are also being deployed in the energy storage, transportation and telecommunication markets. Saft's 4,000 employees present in 19 countries, its 16 manufacturing sites and extensive sales network all contribute to accelerating the Group's growth for the future.

For more information, visit Saft at ***www.saftbatteries.com***

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APPENDICES

Consolidated Income Statement

(in € million)	**2011**	**2010 Restated** [1]	**2009 Restated** [1]
Revenues	628.7	591.1	559.3
Cost of sales	(443.2)	(411.5)	(397.7)
Gross profit	**185.5**	**179.6**	**161.6**
Distribution and sales costs	(37.3)	(35.7)	(32.3)
Administrative expenses	(45.8)	(44.2)	(42.4)
Research and development expenses	(22.1)	(21.4)	(18.1)
Restructuring costs	0.0	(0.7)	(2.8)
Other operating income and expenses	(0.4)	1.1	2.1
Operating profit	**79.9**	**78.7**	**68.1**
Finance costs-net	(11.0)	(18.8)	(18.5)
Share of profit/(loss) of associates	1.8	1.6	1.3
Profit before income tax from continuing operations	**70.7**	**61.5**	**50.9**
Income tax on continuing operations	(19.6)	(13.1)	(12.5)
Net profit/(loss) from continuing operations	**51.1**	**48.4**	**38.4**
Net profit/(loss) from discontinued operations	23.9	(11.8)	(9.5)
Net profit for the period	**75.0**	**36.6**	**28.9**
Attributable to:			
Owners of the parent Company	***74.6***	***36.4***	***28.5***
Non-controlling interests	***0.4***	***0.2***	***0.4***
Earnings per share *(in € per share)*: basic	2.98	1.46	1.50
Earnings per share (*in € per share*): diluted	2.96	1.45	1.50
Earnings per share of continuing operations (*in € per share*): basic	2.02	1.93	2.00
Earnings per share of continuing operations (*in € per share*): diluted	2.01	1.92	2.00
Earnings per share of discontinued operations (*in € per share*): basic	0.96	(0.47)	(0.50)
Earnings per share of discontinued operations (*in € per share*): diluted	0.95	(0.47)	(0.50)

[1] Following the sale by the Group, on 30 September 2011 of its 49% stake in the Johnson Controls-Saft joint venture, the 2011 transactions relating to this entity which was previously consolidated in the Group's accounts using the equity method, have been presented on a separate line of the income statement "Net profit/(loss) from discontinued operations". The data for 2010 and 2009 have been restated for comparability with the data for 2011. These restatements consisted of reclassifying the Group's share in the net loss of Johnson Controls-Saft and the corresponding tax income in the line "Net profit/(loss) from discontinued operations".

Consolidated statement of comprehensive income

(in € million)	2011	2010	2009
Net profit for the period	**75.0**	**36.6**	**28.9**
Other comprehensive income			
Actuarial gains and losses recognised against Statement of Comprehensive Income	0.4	(1.6)	0.3
Tax effect on actuarial gains and losses recognised against Statement of Comprehensive Income	(0.1)	0.5	0.1
Items that will not be reclassified to profit or loss	**0.3**	**(1.1)**	**0.4**
Fair value gains/(losses) on cash flow hedge	(1.5)	0.5	5.6
Fair value gains/(losses), net on investment hedge	(5.9)	(13.0)	(0.3)
Currency translation adjustments	9.8	13.2	4.1
Tax effect on income/(expenses) recognised directly in equity	2.5	3.9	(2.0)
Items that may be reclassified subsequently to profit or loss	**4.9**	**4.6**	**7.4**
Total other comprehensive income for the period, net of tax	**5.2**	**3.5**	**7.8**
Total comprehensive income for the period	**80.2**	**40.1**	**36.7**
Attributable to:			
Owners of the parent Company	80.0	39.7	36.3
Non-controlling interests	0.2	0.4	0.4

Consolidated statement of cash flows

(in € million)	**2011**	**2010 Restated [1]**	**2009 Restated [1]**
Net profit for the period from continuing operations	**51.1**	**48.4**	**38.4**
Adjustments :			
Share of profit/(loss) of associates (net of dividends received)	(0.8)	(0.7)	(0.8)
Income tax expense from continued activities	19.6	13.1	12.5
Property, plant and equipment and intangible assets amortisation and depreciation	30.5	30.1	31.6
Amortisation of deferred grants related to assets	(0.8)	0.0	0.0
Finance costs-net	11.0	18.8	18.5
Stock-option plans	1.6	1.4	1.6
Net movements in provisions	(3.5)	(4.4)	(1.2)
Other	0.2	(1.3)	(0.1)
	108.9	**105.4**	**100.5**
Change in inventories	(7.8)	(9.1)	15.9
Change in trade and other receivables	2.8	(13.2)	6.9
Change in trade and other payables	(1.2)	5.2	(8.0)
Change in other receivables and payables	(9.2)	5.6	(2.8)
Changes in working capital	**(15.4)**	**(11.5)**	**12.0**
Cash flows from operations before interest and tax	**93.5**	**93.9**	**112.5**
Interest paid	(12.6)	(14.1)	(14.5)
Income tax paid	(11.1)	(5.0)	(4.6)
Net cash generated by operating activities	**69.8**	**74.8**	**93.4**
Cash flows from investing activities			
Purchase of property, plant and equipment	(59.6)	(69.6)	(16.7)
Purchase of intangible assets	(9.1)	(6.7)	(4.8)
Proceeds from sale of property, plant and equipment	0.3	1.7	0.1
Variation of other non-current financial assets and liabilities	0.3	0.1	0.2
Net cash used in investing activities	**(68.1)**	**(74.5)**	**(21.2)**
Cash flows from financing activities			
Capital increase	2.2	0.7	120.9
Purchase/Sale of treasury shares - liquidity contract	(1.1)	(0.4)	0.8
New debt	0.0	0.0	315.3
Debt repayments	0.0	0.0	(349.6)
Grants related to assets	20.4	24.5	0.0
Increase/(decrease) in other long-term liabilities	0.0	(0.8)	4.4
Dividends paid to Company shareholders	(17.6)	(7.4)	(7.0)
Net cash generated by/(used in) financing activities	**3.9**	**16.6**	**84.8**
Net cash generated by/(used in) continuing operations	5.6	16.9	157.0
Net cash generated by/(used in) discontinued operations	60.0	(35.9)	(25.6)
Net increase/(decrease) in cash	**65.6**	**(19.0)**	**131.4**
Cash and cash equivalents at beginning of period	194.6	207.4	68.8
Impact of changes in exchange rates	7.0	6.2	7.2
Cash and cash equivalents at end of period	**267.2**	**194.6**	**207.4**

[1] Restated to reclassify all cash flows related to Johnson Controls-Saft former investment as cash flows from discontinued operations.

Consolidated statement of financial position

Assets

(in € million)	31/12/2011	31/12/2010	31/12/2009
Non-current assets			
Intangible assets, net	218.1	222.2	228.2
Goodwill	112.7	110.3	104.8
Property, plant and equipment, net	214.4	166.8	109.9
Investment properties	0.1	0.1	0.2
Investments in joint undertakings	13.3	49.6	30,0
Deferred income tax assets	5.9	6.6	10.1
Other non-current financial assets	0.4	0.8	0.9
	564.9	**556.4**	**484.1**
Current assets			
Inventories	85.5	76.5	63.1
Tax credits	10.0	5.3	12.4
Trade and other receivables	159.5	148.4	128.7
Derivative financial instruments	3.9	2.1	2.2
Cash and cash equivalents	267.2	194.6	207.4
	526.1	**426.9**	**413.8**
Total assets	**1,091.0**	**983.3**	**897.9**

Liabilities

(in € million)	31/12/2011	31/12/2010	31/12/2009
Shareholders' equity			
Ordinary shares	25.2	25.1	24.7
Share premium	103.2	102.1	92.5
Treasury shares	(1.8)	(0.7)	(0.3)
Cumulative translation adjustments	34.8	24.9	11.8
Fair value and other reserves	(3.7)	3.1	12.8
Group consolidated reserves	246.2	185.3	164.3
Minority interest in equity	2.7	1.4	1.0
Total shareholders' equity	**406.6**	**341.2**	**306.8**
Liabilities			
Non-current liabilities			
Debt	101.2	327.7	312.7
Other non-current financial liabilities	5.3	6.1	8.1
Deferred grants related to assets	47.3	25.5	0.0
Deferred income tax liabilities	71.0	60.0	69.0
Pensions and other long-term employee benefits	10.3	9.9	8.5
Provisions	33.1	35.0	33.3
	268.2	**464.2**	**431.6**
Current liabilities			
Trade and other payables	162.3	156.2	136.4
Taxes payable	6.6	8.1	5.3
Debt	237.8	2.3	3.2
Derivative instruments	1.2	1.8	2.1
Pensions and other long-term employee benefits	1.1	1.0	1.0
Provisions	7.2	8.5	11.5
	416.2	**177.9**	**159.5**
Total liabilities and equity	**1,091.0**	**983.3**	**897.9**

Statement of changes in equity

(in € million)	Number of shares making up the capital	Share Capital	Share Premium	Reserves	Profit for the period attributable to equity	Total	Non-controlling interests	Share-holders' equity
		Owners of the parent Company						
Balance at December 31, 2008	**18,514,086**	**18.5**	**(27.7)**	**124.1**	**38.3**	**153.2**	**0.6**	**153.8**
Appropriation of 2008 earnings		-	-	38.3	(38.3)	-	-	0.0
Employee stock option plans (value of employee services)		-	-	1.6	-	1.6	-	1.6
Capital increase with maintenance of preferential subscription rights of December 2, 2009	5,696,328	6.0	114.4	(5.5)	-	114.9	-	114.9
Capital increase by exercise of stock options	231,864	0.2	5.8	-	-	6.0	-	6.0
Dividend paid	241,815	-	-	(7.0)	-	(7.0)	-	(7.0)
Buyback of treasury shares		-	-	0.8	-	0.8	-	0.8
Total comprehensive income		-	-	-	36.3	36.3	0.4	36,7
Balance at December 31, 2009	**24,684,093**	**24.7**	**92.5**	**152.3**	**36.3**	**305.8**	**1.0**	**306.8**
Appropriation of 2009 earnings		-	-	36.3	(36.3)	-	-	0.0
Employee stock option plans (value of employee services)		-	-	1.4	-	1.4	-	1.4
Payment of dividend in shares	410,647	0.4	8.9	0.1	-	9.4	-	9.4
Capital increase by exercise of stock options	31,100	-	0.7	-	-	0.7	-	0.7
Dividend paid		-	-	(7.4)	-	(7.4)	-	(7.4)
Dividend to be paid		-	-	(9.4)	-	(9.4)	-	(9.4)
Purchase/Sale of treasury shares		-	-	(0.4)	-	(0.4)	-	(0.4)
Total comprehensive income		-	-	-	39.7	39.7	0.4	40,1
Balance at December 31, 2010	**25,125,840**	**25.1**	**102.1**	**172.9**	**39.7**	**339.8**	**1.4**	**341.2**
Appropriation of 2010 earnings		-	-	39.7	(39.7)	-	-	0.0
Employee stock option plans (value of employee services)		-	-	1.6	-	1.6	-	1.6
Capital increase at Amco-Saft India Ltd.		-	-	-	-	-	1.1	1.1
Capital increase by exercise of stock options	49,005	0.1	1.1	-	-	1.2	-	1.2
Dividend paid		-	-	(17.6)	-	(17.6)	-	(17.6)
Purchase/Sale of treasury shares		-	-	(1.1)	-	(1.1)	-	(1.1)
Total comprehensive income		-	-	-	80.0	80.0	0.2	80.2
Balance at December 31, 2011	**25,174,845**	**25.2**	**103.2**	**195.5**	**80.0**	**403.9**	**2.7**	**406.6**