PRESS RELEASE

Saft Groupe SA
announces Q2 2012 sales and H1 sales and results

Paris, July 25, 2012 – Saft, leader in the design, development and manufacture of advanced batteries for industry, announces its sales and earnings for the six-month period ended June 30, 2012.

First half sales and earnings highlights

- Q2 sales of €165.9m, an increase of 3.0% YoY as reported but a reduction of 2.3% at constant exchange rates.
- H1 2012 sales of €314.8m, 1.0% above prior year as reported, but 2.5% below at constant exchange rates.
- Li-ion batteries from Jacksonville represented 2.7% of H1 sales.
- EBITDA margin of 16.0% of sales at €50.3m, a reduction of 7.7% compared to 2011.
- Net income increased by 26.6% to €20.0m.

Outlook for FY 2012

- Sales guidance for the full year reduced from ≥ 5% to ≥ 2% at constant exchange rates.
- 2012 EBITDA margin guidance confirmed at 16.5 to 17.0% of sales.

John Searle, Chairman of the Management Board, commented: *"Market conditions have been challenging during Q2, but the majority of Saft's activities have reported sales broadly in line with 2011. Saft's sales in H1 have been helped by increased sales of Li-ion batteries from the recently opened Jacksonville plant. I do not expect end markets to improve during H2, although at present I do expect stronger sales.*

The profitability in H1 has been negatively impacted by higher than expected losses from the Jacksonville plant, which at the EBITDA level totalled €7.5m more than prior year. This was essentially due to operational losses during the early months of production, notably yield and efficiency issues. The causes continue to be addressed urgently and I expect losses in H2 to be significantly lower, despite the costs of commissioning line two. The underlying economies of this new plant remain favourable despite these short-term setbacks.

On a strategic level, Saft will begin a process to sell its small nickel battery activity in Nersac, which is specialised in the manufacture of batteries for emergency lighting and professional electronics applications. This decision is part of the Group's strategy to focus on and invest in the design and production of advanced technology battery solutions with high added-value, both for traditional and new applications. The sale process does not include the strategic lithium-ion battery activity at the Nersac site, which Saft will take control of on 1st January 2013.

The key growth driver for 2013 and beyond is our recent investment in the Jacksonville plant and the Nersac Li-ion activity. Commercial progress has been encouraging during H1 with sales ahead of expectations and with a number of important successes during Q2 in the renewable energy storage market.

Finally I can advise that Saft has identified three automotive applications which we see as strategically attractive with potential for incremental sales from 2014."

Consolidated sales and results – First half 2012

In € million	First half		Variations in % (1)
	2012	**2011**	
Sales	314.8	311.6	(2.5%)
Gross profit	87.9	93.9	(6.4)%
Gross profit %	27.9%	30.1%	
EBITDA (2)	50.3	54.5	(7.7)%
EBITDA margin %	16.0%	*17.5%*	
EBIT (3)	32.8	39.5	(17.0)%
EBIT margin %	10.4%	*12.7%*	
Net profit from continuing operations	20.0	24.1	(17.0)%
Net profit from discontinued operations	0.0	(8.3)	
Net profit for the period	20.0	15.8	26.6%
EPS (€ per share)	0.79	0.62	27.4%

(1) Percentage changes are at actual exchange rates except for sales growth which is at constant exchange rates.
(2) EBITDA is defined as operating income, before depreciation, amortisation, restructuring costs and other operating income and expenses.
(3) EBIT is defined as operating income, before restructuring costs and other operating income and expenses

Notes:

1. *There have been no changes in the consolidation perimeter between 2011 and 2012.*
2. *Average exchange rate during H1 2012 was €1 = $1.30, compared with €1 = $1.40 during H1 2011.*

Key figures H1 2012

- Sales were €314.8m in H1 2012, compared with €311.6m in H1 2011, an increase of 1.0% at actual exchange rates and a decrease of 2.5% at constant exchange rates.
- Gross profit margin decreased by 220 bps to 27.9% of sales in H1 2012 compared to 30.1% in H1 2011, due to Jacksonville start-up losses. Excluding Jacksonville, gross margin increased by 60 bps at 31.4% of sales.
- EBITDA margin amounted to 16.0% of sales, at €50.3m, a reduction of 7.7% compared to 2011. Excluding the Jacksonville negative contribution of €10.7m (vs €3.2m in H1 2011), EBITDA was €61.0m, or 19.6% of sales compared with €57.7m, or 18.5% of sales in H1 2011.
- Net income during H1 was €20.0m, up 26.6% compared with 2011 and Earnings Per Share increased by 27.4% to €0.79.
- Gross investments in fixed assets and capitalised R&D costs in H1 2012 were €30.1m, of which €15.2m was for the Jacksonville project. Related Department of Energy funding received amounted to €6.9m.
- After the refinancing, financial debt reduced by €119m to €221m. The leverage ratio at the end of June 2012 was 1.08, compared with 0.54 at December 31, 2011.
- Group cash position remains strong at €99.2m, after the dividend payment of €43.1m.

Second quarter sales by product line

In € million			Variations in %	
Product line	Q2 2012	Q2 2011	At actual exchange rates	At constant exchange rates
IBG	**91.7**	89.9	1.9%	(2.9%)
SBG	**74.2**	71.0	4.5%	(1.5%)
Total	**165.9**	**160.9**	**3.0%**	**(2.3%)**

Sales numbers are at actual exchange rates.
The average exchange rate in Q2 2012 was €1 to $1.28 (compared with €1 to $1.44 in Q2 2011).
There was no change in perimeter between Q2 2011 and Q2 2012.

Results by product line

In € million	6 months ended June 30, 2012				6 months ended June 30, 2011		
Product line	Sales €m	Sales growth % (1)	EBITDA €m	EBITDA margin %	Sales €m	EBITDA €m	EBITDA Margin %
IBG	176.1	(3.7%)	16.4	9.3%	177.6	25.3	14.2%
SBG	138.7	(1.0%)	35.7	25.7%	134.0	32.2	24.0%
Other			(1.8)	n.a.	-	(3.0)	n.a.
Total	**314.8**	**(2.5%)**	**50.3**	**16.0%**	**311.6**	**54.5**	**17.5%**

All at actual exchange rates, except sales growth % which is at constant exchange rates.
Average exchange rate during H1 2012 was €1 = $1.30, compared with €1 = $1.40 during H1 2011.

Industrial Battery Group (IBG)

Sales during H1 were €176.1m, a reduction of 0.8% as reported and a reduction of 3.7% at constant exchange rates.

Sales in the stationary market, including the initial renewable energy storage sales had steady growth during the first half. Sales in the traditional standby power activity were stable compared with 2011.

The transportation activity had sales in line with 2011, again helped by sales of Li-ion batteries for electric scooters. Sales in the aviation and rail activities were lower than prior year, but order bookings remained at a good level.

Finally, sales of small nickel batteries were significantly lower than in 2011. Performance in the second half of the year is expected to be better as the activity enters H2 with an increased backlog.

The EBITDA margin during H1 was 9.3% of sales, heavily impacted by the losses in Jacksonville. These losses will be materially lower in H2, as actions put in place in Q2 bring results. Excluding Jacksonville, favourable raw material costs net of hedging, and some foreign exchange gains have offset the effect of lower volumes during the half year.

Specialty Battery Group (SBG)

H1 sales were €138.7m, an increase of 3.5% as reported but a reduction of 1.0% at constant exchange rates.

The civil activities recorded flat sales during the half year, despite the electronics activity registering marginally lower sales than in 2011. There has been an increased level of caution in the market which is delaying some projects and impacting volumes. The space activity for Li-ion batteries continued to grow during H1, but this growth rate will slow in coming quarters as the effects of major market share gains are reflected in prior year figures. The space activity has grown by 50% since H1 2009.

The military activities had sales that were only slightly below those of 2011. During H1, Saft registered growth in sales in the project-based business, notably for Li-ion batteries, whilst the recurring business was slower.

The profitability of SBG during H1 increased strongly with an EBITDA margin of 25.7% sales.

Exchange rates positively impacted the result, as SBG is now more sensitive to the €/$ rate than IBG. The underlying profitability of the business was stable.

Strategic divestment

Saft will begin a process to sell its small nickel battery activity in Nersac which supplies batteries to the emergency lighting and professional electronics' markets.

The Group's strategy is to continue to invest in battery systems with high added-value, for both its traditional and new applications. The lithium-ion activity at the Nersac site, which will return under the Group's control in January 2013, is strategically important for the future and is not included in the sale process.

Li-ion Business Development

H1 and notably Q2 saw some very positive progress in the renewable energy storage market. The initial four grid-scale installations were commissioned during H1, and Saft was selected for close to 10 MW/h of Li-ion business during Q2. This came principally from European customers, including both grid-scale and residential projects.

Moreover, the strategic analysis of the automotive market has identified three attractive applications which will be addressed by Saft:

- Batteries for electric and hybrid electric buses and commercial vehicles.
- Batteries for an emerging application, "affordable" micro-hybrid systems for passenger cars.
- Limited series and competition vehicles

Saft already has sales in the competition vehicle segment and is allocating resources to address the additional opportunities in the targeted applications, with incremental sales anticipated from 2014.

Outlook

Due to the weakness seen in some markets since the early months of 2012, the sales guidance for 2012 is being revised down to a growth of ≥ 2% from the initial target of ≥ 5% at constant exchange rates. Sales related to the new Jacksonville plant are expected to exceed the initial objective of 2.5% total Group sales.

In € million	FY 2011 Restated (1)	H1 2012 Actual	FY 2012 Initial Estimate (2)	FY 2012 Revised Estimate (2)
Sales (2)	621.3	314.8	≥ 5%	≥ 2%
EBITDA margin (%)	17.5%	16.0%	16.5 to 17.0%	confirmed

(1) Excluding a non-recurring royalty fee of €7.4m
(2) Sales growth estimates are at constant exchange rates

Financial calendar

2012 Q3 turnover	25 October 2012
2012 FY sales and results 2012	18 February 2013

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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This press release includes the main Financial Statements as appendices.

Also available on Saft's website **www.saftbatteries.com** are:

- Saft's 2012 Interim Report, including the Interim Condensed Consolidated Financial Statements,
- A presentation on Saft's interim results.

Appendices

Consolidated statement of financial position

Assets

In € million	As of June 30, 2012	As of December 31, 2011	As of December 31, 2010
Non-current assets			
Intangible assets, net	216.4	218.1	222.2
Goodwill	114.8	112.7	110.3
Property, plant and equipment, net	231.6	214.4	166.8
Investment properties	0.1	0.1	0.1
Investments in joint undertakings	13.0	13.3	49.6
Deferred income tax assets	5.9	5.9	6.6
Other non-current financial assets	0.4	0.4	0.8
	582.2	**564.9**	**556.4**
Current assets			
Inventories	99.3	85.5	76.5
Tax credits	11.5	10.0	5.3
Trade and other receivables	166.0	159.5	148.4
Derivative financial instruments	0.2	3.9	2.1
Cash and cash equivalents	99.2	267.2	194.6
	376.2	**526.1**	**426.9**
TOTAL ASSETS	**958.4**	**1091.0**	**983.3**

Consolidated statement of financial position

Liabilities and equity

In € million	As of June 30, 2012	As of December 31, 2011	As of December 31, 2010
Shareholders' equity			
Ordinary shares	25.2	25.2	25.1
Share premium	78.1	103.2	102.1
Treasury shares	(2.1)	(1.8)	(0.7)
Cumulative translation adjustments	34.2	34.8	24.9
Fair value and other reserves	0.7	(3.7)	3.1
Group consolidated reserves	248.7	246.2	185.3
Minority interest in equity	2.7	2.7	1.4
Total shareholders' equity	**387.5**	**406.6**	**341.2**
Liabilities			
Non-current liabilities			
Debt	218.4	101.2	327.7
Other non-current financial liabilities	5.4	5.3	6.1
Deferred grants related to assets	54.2	47.3	25.5
Deferred income tax liabilities	71.0	71.0	60.0
Pensions and other long-term employee benefits	11.2	10.3	9.9
Provisions	34.2	33.1	35.0
	394.4	**268.2**	**464.2**
Current liabilities			
Trade and other payables	158.1	162.3	156.2
Taxes payable	5.3	6.6	8.1
Debt	4.7	237.8	2.3
Derivative instruments	1.1	1.2	1.8
Pensions and other long-term employee benefits	0.6	1.1	1.0
Provisions	6.7	7.2	8.5
	176.5	**416.2**	**177.9**
Total liabilities and equity	**958.4**	**1091,0**	**983.3**

Consolidated income statement

In € million	Period ended June 30, 2012	Period ended June 30, 2011 Restated (1)	Period ended June 30, 2010 Restated (1)
Revenues	314.8	311.6	290.0
Cost of sales	(226.9)	(217.7)	(200.2)
Gross profit	**87.9**	**93.9**	**89.8**
Distribution and sales costs	(20.6)	(19.3)	(18.2)
Administrative expenses	(23.0)	(24.1)	(21.7)
Research and Development expenses	(11.5)	(11.0)	(11.1)
Restructuring costs	(0.1)	0.1	(0.4)
Other operating income and expenses	0,0	(0.4)	1.9
Operating profit	**32.7**	**39.2**	**40.3**
Finance costs. net	(4.9)	(6.9)	(6.5)
Share of profit / (loss) of associates	0.6	0.8	0.7
Profit before income tax from continuing operations	**28.4**	**33.1**	**34.5**
Income tax on continuing operations	(8.4)	(9.0)	(6.8)
Net profit/(loss) from continuing operations	*20.0*	*24.1*	27.7
Net profit/(loss) from discontinued operations	0.0	(8.3)	(4.9)
Net profit for the period	***20.0***	***15.8***	**22.8**
Attributable to: owners of the parent Company	***19.9***	***15.5***	***22.8***
Attributable to: non-controlling interests	***0.1***	**0.3**	***0.0***
Earnings per share (in € per share)			
- basic	0.79	0.62	0.92
- diluted	0.79	0.61	0.92
Earnings per share of continued operations (in € per share)			
- basic	0.79	0.95	1.12
- diluted	0.79	0.94	1.12
Earnings of discontinued operations (in € per share)			
- basic	0.0	(0.33)	(0.20)
- diluted	0.0	(0.33)	(0.20)

(1) Restated by reclassifying the Group's share in the net loss of Johnson Controls-Saft and the corresponding income tax in line "net profit/(loss) from discontinued operations".

Consolidated statement of comprehensive income

In € million	Period ended June 30, 2012	Period ended June 30, 2011	Period ended June 30, 2010
Net profit for the period	**20.0**	**15.8**	**22.8**
Other comprehensive income			
Actuarial gains and losses recognised against Statement of Comprehensive Income	0.0	0.0	0.0
Tax effect on actuarial gains and losses recognised against Statement of Comprehensive Income	0.0	0.0	0.0
Items that will not be reclassified to profit or loss	**0.0**	**0.0**	**0.0**
Fair value gains/(losses), on cash flow hedge	(0.1)	(0.8)	(2.1)
Fair value gains/(losses), net on investment hedge	6.7	13.6	(29.0)
Currency translation adjustments	(0.7)	(14.0)	28.5
Tax effect on income/(expenses) recognised directly in equity	(2.2)	(4.4)	10.4
Items that may be reclassified subsequently to profit or loss	3.7	(5.6)	7.8
Total other comprehensive income for the period, net of tax	3.7	(5.6)	7.8
Total comprehensive income for the period	23.7	10.2	30.6
Attributable to:			
- owners of the parent Company	23.6	10.0	30.3
- non-controlling interests	0.1	0.2	0.3

Consolidated cash flow statement

In € million	Period ended June 30, 2012	Period ended June 30, 2011 Restated (1)	Period ended June 30, 2010 Restated (1)
Net profit for the period from continuing operations	**20.0**	**24.1**	**27.7**
Adjustments :			
Share of profit/(loss) of associates (net of dividends received)	0.4	0.2	(0.7)
Income tax expense from continued activities	8.4	9.0	6.8
Property, plant and equipment and intangible assets amortisation and depreciation	19.0	15.0	15.4
Amortisation of deferred grants related to assets	(1.5)	0,0	0,0
Finance costs	4.9	6.9	6.5
Net movements in provisions	0.0	(2.3)	(1.2)
Other	(0.5)	1.1	(0.9)
	51.7	**54.0**	**53.6**
Change in inventories	(12.5)	(15.9)	(9.1)
Change in trade and other receivables	(0.0)	6.5	(4.3)
Change in trade and other payables	0.7	1.8	(1.2)
Change in other receivables and payables	(11.5)	(5.6)	14.0
Changes in working capital	**(23.3)**	**(13.1)**	**(0.6)**
Cash flows generated from operations before interest and tax	**28.4**	**40.9**	**53.0**
Interest paid	(2.9)	(5.4)	(6.8)
Income tax paid	(6.8)	(8.1)	(3.7)
Net cash generated by operating activities	**18.7**	**27.4**	**42.5**
Cash flows from investing activities			
Purchase of property, plant and equipment	(25.1)	(39.4)	(24.4)
Purchase of intangible assets	(5.0)	(3.7)	(2.9)
Proceeds from sale of property, plant and equipment	0.3	0.0	1.5
Variation of other non-current financial assets and liabilities	0.0	0.0	(0.1)
Net cash used in investing activities	**(29.8)**	**(43.1)**	**(25.9)**
Cash flows from financing activities			
Capital increase	0.0	2.3	0.1
Purchase/Sale of treasury shares - liquidity contract	(0.3)	(0.7)	(0.7)
New debt	209.4	0.0	0.0
Debt repayments	(328.5)	0,0	0,0
Grants related to assets	6.9	15.2	7.7
Increase/(decrease) in other long-term liabilities	0.1	0.1	0,0
Dividends paid to Company shareholders	(43.1)	(17.6)	0,0
Net cash generated by/(used) in financing activities	**(155.5)**	**(0.7)**	**7.1**
Net cash generated by/(used in) continuing operations	(166.6)	(16.4)	23.7
Net cash generated by/(used in) discontinuing operations	0,0	(22.9)	(17.0)
Net increase/(decrease) in cash	**(166.6)**	**(39.3)**	**6.7**
Cash and cash equivalents at beginning of period	267.2	194.6	207.4
Impact of changes in exchange rate	(1.4)	(3.6)	11.2
Cash and cash equivalents at end of period	**99.2**	**151.7**	**225.3**

(1) Restated to reclassify all cash-flows related to Johnson Controls-Saft former investment as cash-flows from discontinued operations

Consolidated statement of changes in equity

In € million	Number of shares making up the capital	Attributable to equity holders of the Company					Non-controlling interets	Shareholders' equity
		Share Capital	Share Premium	Reserves	Profit for the period attributable to equity	Total		
Balance at January 1, 2010	**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 options plans (value of employee services)				1.4		1.4		1.4
Payment of dividend in shares	410 647	0.4	8.9	(9.3)		0.0		0.0
Capital increase by exercise of stock options	31 100		0.7			0.7		0.7
Dividend paid				(7.4)		(7.4)		(7.4)
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)**			
Employee stock options plans (value of employee services)				0.9		0.9		0.9
Capital increase of 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				(0.7)		(0.7)		(0.7)
Total comprehensive income					10.0	10.0	0.2	10.2
Balance at June 30, 2011	**25 174 845**	**25.2**	**103.2**	**195.2**	**10,0**	**333.6**	**2.7**	**336.3**
Employee stock options plans (value of employee services)				0.7		0.7		0.7
Dividend paid								
Capital increase by exercise of stock options								
Purchase/Sale of treasury shares				(0.4)		(0.4)		(0.4)
Total comprehensive income					70,0	70.0		70,0
Balance at December 31, 2011	**25 174 845**	**25.2**	**103.2**	**195.5**	**80,0**	**403.9**	**2.7**	**406.6**
Appropriation of 2011 earnings				80.0	(80.0)			0.0
Employees stock option plans (value of employee services)				0.6		0.6		0.6
Capital increase								0.0
Capital increase by exercise of Stock Options								0.0
Dividend paid			(25.1)	(18.0)		(43.1)		(43.1)
Purchase/Sale of treasury shares				(0.3)		(0.3)		(0.3)
Total comprehensive income					23.7	23.7		23.7
Balance at June 30, 2012	**25 174 845**	**25.2**	**78.1**	**257.8**	**23.7**	**384.8**	**2.7**	**387.5**