INTERIM FINANCIAL REPORT

FIRST HALF-YEAR 2012

SAFT

CONTENTS

INTERIM FINANCIAL REPORT

SIX MONTHS ENDED JUNE 30, 2012

Important legal information and cautionary statements

The Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2012 presented in this document have been approved by the Management Board, reviewed by the Audit Committee and approved by the Supervisory Board of Saft.

Certain statements contained herein are forward-looking statements relating, in particular, to future events, trends, plans or objectives. By their nature, these forward-looking statements involve known or unknown risks and uncertainties that could cause Saft's actual results and objectives to differ materially from those expressed or implied in these statements.

INTERIM FINANCIAL REPORT
FIRST HALF-YEAR 2012

1.1 2012 FIRST-HALF SALES AND CONSOLIDATED RESULTS HIGHLIGHTS

(in € million)	**Period ended June 30, 2012**	Period ended June 30, 2011 Restated[1]	2012/2011 % change[2]	Period ended June 30, 2010, Restated[1]	2011/2010 % change[2]
Sales	314.8	311.6	(2.5)%	290.0	9.8%
Gross profit	87.9	93.9	(6.4)%	89.8	4.6%
EBITDA	*27.9%*	*30.1%*		*31.0%*	
EBITDA[3]	50.3	54.5	(7.7)%	54.2	0.5%
EBITDA %	*16.0%*	*17.5%*		*18.7%*	
EBIT[4]	32.8	39.5	(17.0)%	38.8	1.8%
EBIT %	*10.4%*	*12.7%*		*13.4%*	
Operating profit	32.7	39.2	(16.6)%	40.3	(2.7)%
Net profit (loss) from continued operations	20.0	24.1	(17.0)%	27.7	(13.0)%
Net profit (loss) from discontinued operations	0.0	(8.3)	(100.0)%	(4.9)	69.4%
Total net profit (loss) for the period	20.0	15.8	26.6%	22.8	(30.7)%
Total EPS *(€ per share)*	0.79	0.62	27.4%	0.92	(32.6)%
EPS from continued operations *(€ per share)*	0.79	0.95	(16.8)%	1.12	(15.2)%

(1) The data reported for 2011 and 2010 were restated in order to distinguish between profit from continued operations and profit from discontinued operations. Discontinued operations consist of the Saft Group's 49% stake in the Johnson Controls-Saft joint venture, which was sold by the Group on September 30, 2011. Prior to its sale, this joint venture was consolidated in the Group's financial statements using the equity accounting method.

(2) Percentage changes are at actual exchange rates except for revenue, which is at constant exchange rates.

(3) EBITDA is defined as operating profit before depreciation, amortisation, restructuring costs and other operating income and expenses.

(4) EBIT is defined as operating profit before restructuring costs and other operating income and expenses.

The Group posted €314.8 million in sales for the first half of 2012, up by 1.0% at current exchange rates compared to the first half of 2011, and down by 2.5% at constant exchange rates. This change stems from a 2.3% decrease in sales during the second quarter, at constant exchange rates, after a 2.9% drop during the first quarter.

This downturn in business during the first half of the year disguises the fact that the Group's main business activities and markets were more or less stable, while sales of small nickel batteries remained quite weak and sales within the military markets dipped slightly.

Gross profit during the first half of the year stands at €87.9 million, for a gross profit margin of 27.9% versus a gross profit margin of 30.1% in H1 2011. The decrease in the gross profit is due to the losses recorded in relation to start-up of the Jacksonville plant. Excluding the impact of the Jacksonville facility, gross profit margin, at 31.4%, is up 60 basis points in relation to the gross profit margin from H1 2011. The drop in volumes was more than offset by the favourable effect of the exchange rates and the price of nickel.

EBITDA for the first half of 2012 amounted to €50.3 million, representing a 16.0% margin, versus a margin of 17.5% of revenue in H1 2011. This decline can be attributed to the Industrial Battery Group division and the fact that the start-up costs of the Jacksonville plant were greater than anticipated at the beginning of the year. Jacksonville's negative impact on the EBITDA margin in H1 2012 stands at €10.7 million ($13.7 million), versus a negative contribution of €3.2 million ($4.5 million) in H1 2011.

EBIT during the first half of the year comes to €32.8 million, representing 10.4% of revenue, versus a 12.7% EBIT margin during H1 2011. Adjusted for the impact of Jacksonville, the EBIT margin is equal to 14.4% of sales, versus an adjusted EBIT margin of 13.7% in H1 2011.

The Group's net income from continuing operations during the first half of 2012 totals €20.0 million, versus a comparable figure equal to €24.1 million during H1 2011. Aside from the impact of start-up of the Jacksonville facility, as mentioned above, the drop in profit from continuing operations also stems from an expected increase in the Group's overall tax rate to 29.6%, up from the 27.7% overall tax rate seen in 2011.

Earnings per share from continuing operations amounted to €0.79 at the end of the first half of 2012, versus H1 2011 earnings per share equal to €0.95 on a like-for-like basis.

Net profit for the first half of 2012 was equal to €20.0 million (including the Group's share at €19.9 million), versus a net profit of €15.8 million during H1 2011 (of which the Group's share stood at €15.5 million). 2011 numbers included a net loss on discontinued activities in the amount of €8.3 million, this loss corresponding to the Saft Group's share in the net loss of the Johnson Controls-Saft joint venture from the first half of 2011.

Net earnings per share amount to €0.79 for the first half of 2012, compared with EPS of €0.62 in H1 2011.

1.2 RESULTS BY DIVISION

SECOND QUARTER SALES BY DIVISION (UNAUDITED)

			Change %	
(in € million)	**Q2 2012**	Q2 2011	At current 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)%**

HALF-YEAR RESULTS BY DIVISION

	Period ended June 30, 2012				Period ended June 30, 2011		
Division	**Revenue** *(in € million)*	**Change** *(in %)* [(1)]	**EBITDA** *(in € million)*	**EBITDA margin** *(in %)*	Revenue *(in € million)*	EBITDA *(in € million)*	EBITDA *margin (in %)*
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.	0.0	(3.0)	n.a.
TOTAL	**314.8**	**(2.5)%**	**50.3**	**16.0%**	**311.6**	**54.5**	**17.5%**

(1) Change in revenue at constant exchange rates.
Average exchange rate during H1 2012 was €1 = $1.30, compared with €1 = $1.40 during H1 2011.

A) INDUSTRIAL BATTERY GROUP (IBG)

At €176.1 million, the IBG division's sales were down 3.7% during the first half of 2012 at constant exchange rates. On a reported basis, sales were only 0.8% below those recorded during the first half of 2011.

With revenue down 4.7% during the first quarter, at constant exchange rates, business picked up slightly during the second quarter and represented a decline of only 2.9% at constant exchange rates.

The overall decrease in revenue throughout the first half of 2012 is the result of weak sales of small nickel batteries. Revenue from this activity was down by more than 25% during the first half of 2012, after falling by 13.9% in 2011. Excluding small nickel batteries, the division's business activities grew by 0.4% at constant exchange rates, driven by the growth anticipated in new energy storage markets.

The sale of batteries for stand-by back-up applications was stable during H1 2012, following very strong growth (more than 22%) in H1 2011. This stability in sales includes a slight drop in sales within the industrial back-up applications segment, offset by strong sales growth in the telecommunications networks market.

The 1.1% drop in sales within the transportation segment, at constant exchange rates, in H1 2012 is due to a drop in traditional sales in the railway and aviation sectors. This negative growth was partially offset by increased sales of Li-ion products.

Furthermore, the services sold by the Group to Johnson Controls during H1 2012 amounted to €2.6 million, versus €3.9 million in H1 2011.

The small nickel batteries market continued its downward trend during the first half of 2012, with the Group's sales falling more than 25% at constant exchange rates. This trend affected the professional electronics and emergency lighting markets. 4% of the drop in revenue for this business activity is attributable to the lower cost of nickel.

As these are not strategic markets for the Group, the decision was made to initiate a process to sell the small nickel batteries business, which manufactures its products exclusively at the Nersac production site in France. This sale, the process for which shall begin before the end of the month, will allow the Group to focus its efforts and resources on products and markets with greater value added, including the strategic Li-ion business at the Nersac site, which the Group commited to acquire from Johnson Controls, effective as of January 1, 2013.

The EBITDA margin for the division represented 9.3% of revenue during the first half of the year, versus a margin of 14.2% in H1 2011. This decline is primarily the result of the start-up costs of the Jacksonville facility, which at €10.7 million (versus €3.2 million in H1 2011) greatly exceeded forecasts at the beginning of the year. These high start-up losses stem from lower operational efficiency than anticipated. The technical difficulties have been identified and corrective actions are currently being taken. Therefore, Jacksonville's negative contribution during the second half of the year is expected to be much lower than that during the first half of 2012.

Disregarding the impact of the new Li-ion plant in Jacksonville, the EBITDA margin of the IBG division for the first half of 2012, as a percentage of revenue, is in line with expectations. The impact of the reduction in volumes was almost totally offset by the positive impact of foreign exchanges, in particular that related to the strengthening of the US dollar against the euro and the impact from the decrease in the price of nickel.

B) SPECIALTY BATTERY GROUP (SBG)

The Specialty Battery Group division's revenue over the first half of 2012, amounting to €138.7 million, increased by 3.5% at current exchange rates as compared to H1 2011 and fell by 1.0% at constant exchange rates.

Revenue during the second quarter of the year showed a slight 1.5% decrease, at constant exchange rates, after a 0.4% drop during the first quarter of 2012.

Sales in the civil lithium markets for the first half were stable in relation to the previous year, the slight fall in the civil electronics markets, seen both in the first and second quarters, being offset by strong growth in sales in the space market.

Sales within the military markets grew during the second quarter after falling in the first quarter. Overall, the decline in military business during the first half of 2012 represented only a 2.8% drop in relation to the same period during the previous year.

With the EBITDA margin at 25.7% of revenue in H1 2012, versus 24.0% in H1 2011, the profitability of the Specialty Battery Group division reached a new record, with the division benefiting from a positive currency effect after the US dollar gained ground versus the euro.

C) OTHER ACTIVITIES

Expenses that are not allocated to the operational divisions, which mainly comprise the costs of the central functions such as IT, research, finance and general management, led to an operating loss of €-2.2 million for this "Other" cost centre in H1 2012, as compared to an operating loss of €-3.4 million for the same period in 2011. The decrease in net loss is due mainly to the drop in labour and medical-related expenses in the United States.

1.3 OTHER ITEMS OF CONSOLIDATED INCOME

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses amounted to a net loss of €0.1 million during the first half of 2012, versus a net loss of €0.4 million for the first half of 2011.

OPERATING PROFIT

In the absence of significant restructuring charges, and after other operating income and expenses, the Group's operating profit totals €32.7 million for H1 2012, compared with €39.2 million in operating profit a year ago.

Excluding the negative impact associated with the start-up of the new Li-ion production facility in Jacksonville, operating income amounted to €44.9 million, or 14.4% of sales, compared to €42.5 million, or 13.6% of sales during H1 2011.

NET FINANCIAL LOSS

A net financial loss of €4.9 million was posted for H1 2011, as opposed to a €6.9 million loss for the first half of 2011. Cost of net debt was €4.6 million, down €1.3 million in relation to the net cost for the first half of 2011.

The composite interest rate on financial debt, including the cost of interest rate hedges, stands at 3.32% for H1 2012, compared to 3.27% in H1 2011 and 3.32% for the year 2011.

The H1 2012 financial loss also includes a €0.5 million foreign exchange gain, versus a net foreign exchange loss of €0.1 million recorded in H1 2011.

PROFIT FROM CONTINUED OPERATIONS

After accounting for the Group's 50% share in the profit of the ASB joint venture, representing a positive contribution of €0.6 million during the first half of 2012, versus a positive contribution of €0.8 million in H1 2011, profit before tax from continuing operations stands at €28.4 million for H1 2012, compared to €33.1 million in H1 2011.

The tax expense related to continuing operations totals €8.4 million during the first half of 2012, for a Group-wide overall tax rate of 29.6% versus a tax expense of €9.0 million in H1 2011, which corresponded to a 27.3% overall tax rate on continued operations.

Thus, the net profit from continuing operations during the first half of 2012 totals €20.0 million, versus net profit of €24.1 million during H1 2011.

LOSS FROM DISCONTINUED OPERATIONS

The net loss from discontinued operations during the first half of 2011, totalling a loss, net of taxes, of €8.3 million corresponded to the Group's share in the net loss of the Johnson Controls-Saft joint venture. It should be noted that Saft sold its 49% stake in this joint venture to Johnson Controls on September 30, 2011.

NET PROFIT FOR THE PERIOD

The Group's net profit for H1 2012 totals €20.0 million, compared with a net profit of €15.8 during H1 2011.

Earnings per share amount to €0.79 for the first half of 2012, compared with EPS of €0.62 in H1 2011.

1.4 MAIN CASH FLOWS OVER THE PERIOD

CASH GENERATED FROM OPERATIONS

Cash generated from operations in H1 2012 totals €18.7 million, down €8.7 in relation to H1 2011. This downward trend is primarily due to the €23.3 million increase in working capital. The increase in working capital stems mainly from a €13.8 million increase in inventory[1]. In addition to the seasonal increase in inventory in an effort to deal with the slowdown in production during the summer months, there was also an increase in inventory in H1 2012 for the Jacksonville facility following the ramp-up in product at this new plant.

In addition, €11 million of the increase in total working capital is the result of the fluctuation in non-operating working capital, due in part to the increase in the Group's tax receivables.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash outflows from investing activities during the first half of 2012 amounted to €29.8 million as compared to €43.1 million in H1 2011.

Gross industrial capex amounted to €25.1 million during H1 2012 (versus €39.4 million during H1 2011), of which €15.4 million (*i.e.* $20.0 million) related to the construction of the Jacksonville production facility. The latter amount excludes the 50% funding received from the US Department of Energy, as analysed below. The investment for the construction of the Jacksonville plant amounted to €30.5 million (€42.8 million) during the first half of 2011.

Investments in intangible assets, which consist mainly of capitalised development costs, amounted to €5.0 million during the first half of 2012, as compared to €3.7 million during H1 2011.

CASH FLOWS FROM FINANCING ACTIVITIES

Significant cash flows from financing activities for the first half of 2012 entailed the refinancing of the Group's debt and the receipt from the US Department of Energy of its 50% share of the costs incurred for construction of the Jacksonville production facilities, *i.e.* €6.9 million ($9.0 million), as well as the payment of dividends to Saft shareholders totalling €43.1 million.

The refinancing of the bank debt falling due in July 2012 was an opportunity for the Group to diversify its sources of financing at a similar composite interest rate, to increase the maturity of its financial resources and to reduce its gross debt by €119.1 million in financial liabilities, to €221.2[2] million. The Group took advantage of this refinancing to boost its financial flexibility through a five-year revolving credit facility in the amount of €100 million.

The bank debt of €150 million as of December 31, 2011 was refinanced during the first quarter through a new five-year syndicated loan facility in the amount of €100 million.

$150 million of the $240 million in bank debt existing at year-end 2011 was refinanced through the issuance of unsecured senior bonds to a group of qualified institutional investors in the US private market. 50% of this debt (in US dollars) will mature in February 2019 (7-year term) and bears interest at a fixed rate of 4.26%. The other half will mature in February 2022 (10-year term) and bears interest at a fixed rate of 4.73%.

CASH FLOWS FROM DISCONTINUED OPERATIONS

The net decrease in cash for discontinued operations recorded in H1 2011 corresponded to the financing of the Johnson Controls-Saft joint venture during this period, *i.e.*, €22.9 million ($32.1 million).

FREE CASH-FLOW

Given the decrease in the Group's financial liabilities as well as the increase in working capital during the first half of 2012, the free cash-flow generated by the Group during H1 2012 was negative by €123.5 million, versus a positive free cash-flow of €1.2 million in H1 2011.

(1) €12.5 million as shown in the consolidated statement of cash flows, in which flows are measured at the average exchange rate for the period.

(2) Excluding accrued interest not due.

1.5 GROUP BALANCE SHEET

With respect to the end of the 2011 financial year, the Group's balance sheet at June 30, 2012 shows the following:

- a €17.3 million increase in non-current assets, mainly as a result of the investment in the new Li-ion production facility in Jacksonville;
- an €18.1 million increase in current assets[2], mainly as a result of increased inventory, as well as a €6.6 million decrease in current liabilities[3] due primarily to the decrease in trade payables;
- maintenance of a strong cash position at €99.2 million, after payment of the dividends totalling €43.1 million;
- lastly, €387.5 million in equity, down €19.1 million after paying the dividend and, similarly, a €117.7 million[1] decrease in the Group's financial liabilities as a result of the refinancing described above, as well as the strengthening of the dollar against the euro.

1.6 OTHER SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2012

ANNUAL GENERAL MEETING AND DIVIDEND

At the Annual General Meeting of Saft Groupe SA on May 11, 2012, the shareholders set the ordinary dividend for the 2011 financial year at €0.72 per share, representing an increase of 2.9%. They also approved the distribution of a special dividend of €1 per share. These dividends were paid on May 21 and amounted to €43.1 million.

In addition, the shareholders renewed authorisations to the Management Board to decide, within certain limits, on the issue of shares and/or securities giving immediate or future access to the Company's share capital.

INVESTMENT PROJECTS

Commissioning of the second production line of the new Li-ion production facility in Jacksonville is currently under way. Once qualification has been completed during Q3, this line will be operational at the end of the year 2012 to also produce Super-phosphate® (iron phosphate) cells.

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.

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 resource to address the additional opportunities, with incremental sales anticipated from 2014.

1.7 RELATED-PARTY TRANSACTIONS

The nature of the Group's related-party transactions remains unchanged as compared to the situation described in note 29 of the 2011 Consolidated Financial Statements, as presented on page 176 of the 2011 annual report registered with the *Autorité des marchés financiers* (AMF) on February 16, 2012.

(1) Excluding accrued interest not due.

(2) Excluding cash and cash equivalents.

(1) Excluding financial debt.

The Group's share in the H1 2012 profit of the ASB joint venture stands at €0.6 million, versus a share in profits equal to €0.8 million during the first half of 2011.

1.8 RISKS AND UNCERTAINTIES WITH REGARD TO THE SECOND HALF OF 2012

Saft believes that the main risks to which the Group is exposed are the same as those described on pages 53 to 63 of the 2011 annual report.

The main uncertainties for H2 2012 concern:

- trends in the global economic situation, especially the economic situation in the United States and Europe and their impact on market segments in which the Group operates;
- trends with regard to public procurement contracts, especially in the defence markets;
- finally, changes in exchange rates and particularly that of the US dollar and the Swedish krona as compared to the euro.

1.9 OUTLOOK

In light of trends in the Group's revenue during the first half of the year and considering the current macroeconomic situation, the projected revenue for the 2012 financial year has had to be revised, with annual revenue growth now estimated to be greater than or equal to 2% at constant exchange rates.

However, the Group maintains its projected profitability, with reported EBITDA expected to be equal to 16.5-17.0% of revenue.

(in € million)	2011 Restated(1)	H1 2012 reported	2012 Initial estimate(2)	2012 Revised estimate(2)
Revenue	621.3	314.8	≥ 5%	≥ 2%
EBITDA margin *(in %)*	16.5%	16.0%	16.5 to 17.0%	unchanged

(1) Adjusted 2011 data exclude the impact of the nonrecurring €7.4 million fee recorded in 2011 as part of the agreements terminating the joint venture with Johnson Controls.
(2) Estimated growth in revenue is calculated at constant exchange rates.

1.10 PROVISIONAL FINANCIAL REPORTING DATES

For information purposes, the Company's financial reporting dates are expected to be as follows:

■ Q3 2012 revenue	October 25, 2012
■ Annual revenue and results for 2012	February 18, 2013

2

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AT 30 JUNE 2012

2.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in € million)	Note	**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	*9*	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	*4*	**958.4**	**1,091.0**	**983.3**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in € million)	Note	**As of June 30, 2012**	As of December 31, 2011	As of December 31, 2010
Shareholders' equity	*5*			
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	*7*	218.4	101.2	327.7
Other non-current financial liabilities		5.4	5.3	6.1
Deferred grants related to assets	*6*	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	*7*	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	*4*	**958.4**	**1,091.0**	**983.3**

2.2 CONSOLIDATED INCOME STATEMENT

(in € million)	Note	**Period ended June 30, 2012**	Period ended June 30, 2011 Restated[1]	Period ended June 30, 2010 Restated[1]
Revenues	*4*	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	*8*	(4.9)	(6.9)	(6.5)
Share of profit/(loss) of associates	*9*	0.6	0.8	0.7
Profit before income tax from continuing operations		**28.4**	**33.1**	**34.5**
Income tax on continuing operations	*10*	(8.4)	(9.0)	(6.8)
Net profit/(loss) from continuing operations		20.0	**24.1**	**27.7**
Net profit/(loss) from discontinued operations	*11*	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)*	*12*			
■ 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". The detail of that specific line is presented in Note 11.

2.3 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) 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

2.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(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 operations	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, net	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	0.1
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) discontinued 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.

2.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to equity holders of the Company						
(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	**Shareholders' equity**
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
Stock options plans: value of employees 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)			0.0
Stock options plans: value of employees services				0.9		0.9		0.9
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**
Stock options plans: value of employees services				0.7		0.7		0.7
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
Stock options plans: value of employees services				0.6		0.6		0.6
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**

2.6 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF NOTES

NOTE 1 INFORMATION ABOUT THE COMPANY

Saft Groupe SA (the "Company", and collectively with its consolidated subsidiaries, the "Group" or "Saft") was formed on 23 March 2005. Saft Groupe SA, a limited company governed by French law, whose registered office is at 12, rue Sadi-Carnot, 93170 Bagnolet, France, has been listed on Euronext Paris (compartment B) since 29 June 2005.

On 19 July 2012, the Management Board approved and authorised publication of the Condensed Interim Consolidated Financial Statements of Saft Groupe SA.

Unless otherwise indicated, the Condensed Interim Consolidated Financial Statements are presented in millions of euros.

NOTE 2 ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These Condensed Interim Consolidated Financial Statements for the half year ended 30 June 2012 have been prepared in accordance with IAS 34, "Interim financial reporting". They do not include all the detailed information required for the full-year consolidated statements and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2011, prepared in accordance with the International Financial Reporting Standards as approved by the European Union.

The accounting policies applied in these Condensed Interim Consolidated Financial Statements are identical to those applied by the Company in its Consolidated Financial Statements for the year ended 31 December 2011 with the exceptions set out below.

New IFRS standards, interpretations and amendments, as adopted by the EU for periods beginning from 1 January 2012 onwards, have been applied by the Company. They have not led to any significant changes in the methods for measurement of assets, liabilities, income and expenses.

The Company has not anticipated the implementation of any standards and interpretations which are not mandatory in 2012.

2.2 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Condensed Interim Consolidated Financial Statements in conformity with IAS 34 requires management to make assumptions and estimates that affect the reported amounts set out in the Financial Statements, whether this involves the valuation of certain assets and liabilities or certain income and expenses, such as depreciation, amortisation and provisions.

These estimates, which are based on the going concern assumption, are prepared on the basis of the available information at the time of their preparation. They may be revised if the circumstances on which they have been based change as a result of new information. Actual results may differ from these estimates.

Where an estimate is revised, this does not correspond to the correction of an error. The impact of changes in accounting estimates is recognised for the period in which the change is made if it only affects such period or for the period in which the change is made and any subsequent periods that may be affected by the change.

Within the scope of preparation of the Interim Consolidated Financial Statements at 30 June 2012, the use of assumptions and estimates primarily related to the following, as it did at the time of preparation of the Consolidated Financial Statements for the financial year ended 31 December 2011:

- impairment tests on goodwill and other fixed assets: the Group carries out impairment tests on unamortised intangible assets and goodwill during the second half of each year.

  As the operating results of the CGUs recognised at 30 June 2012 – excluding the non-recurring cost impact of the construction and start-up of Jacksonville factory – do not undermine forecasts taken into consideration in the scope of the sensitivity tests of the value in use of the CGUs carried out at 31 December 2011, the estimates of the values in use of the goodwill made as of such date have not been revised when closing off the interim financial statements.

  With regard to brands, the annual impairment tests that are carried out are based on discounting to present value of the royalties which would be paid by a third party wishing to use them, on the basis of sales guidance by brand. As sales for the first half year of 2012 were consistent with that used to perform impairment tests on brands by the end of 2011 financial year, the estimates of the values in use of the brands made as of such date have not been revised when closing off the interim financial statements;
- calculation of pension and similar retirement benefit obligations: for the interim financial statements, pension expenses and similar retirement benefit obligations are estimated at half the amount of the annual expense, unless any specific event occurs to justify a specific update;
- some provisions: contingency provisions and in particular specific provisions for projects are reviewed by Management at the end of each half-yearly closing;
- construction contracts: they are subject to a monthly review as part of the financial closing at each of the Group business unit.

With regard to current and deferred tax expense recorded in the interim financial statements, this expense is calculated by applying the average annual estimated rate of tax for the tax year in process for each entity or tax group to profit before income tax for the period.

2.3 SEASONALITY

Saft's business is generally not seasonal. However, working capital tends to be higher in the first half as compared to the second due to manufacturing shutdowns during the summer months.

NOTE 3 SCOPE OF CONSOLIDATION

The scope of consolidation at 30 June 2012 is unchanged compared with 31 December 2011 and comprises the following companies:

Company name	Activity	Country	Percentage of control and interest	Consolidation method
Saft Groupe SA	**Group holding company**	**France**	**100**	**Full**
Saft Australia Pty Ltd	Holding company	Australia	100	Full
Saft Batteries Pty Ltd	Assembly and commercial	Australia	100	Full
Saft Do Brazil	Commercial	Brazil	100	Full
Saft Zhuhai (Ftz) Batteries Co., Ltd	Manufacturing and commercial	China	100	Full
Saft Nife ME Ltd	Commercial	Cyprius	100	Full
Saft Ferak AS	Manufacturing and commercial	Czech Republic	100	Full
Saft SAS (previously Saft SA)	Manufacturing and commercial	France	100	Full
Saft Acquisition SAS	Holding company	France	100	Full
ASB (and its subsidiaries)	Manufacturing and sale of thermal batteries	France	50	EA
Friemann & Wolf Batterietechnik GmbH (Friwo)	Manufacturing and commercial	Germany	100	Full
Saft Batterien GmbH	Commercial	Germany	100	Full
SGH GmbH	Holding company	Germany	100	Full
Tadiran Batteries GmbH	Manufacturing and commercial	Germany	100	Full
Saft Hong Kong Ltd	Commercial	Hong Kong	100	Full
Amco-Saft India Ltd	Manufacturing and commercial	India	51.04	Full
Tadiran Batteries Ltd	Manufacturing and commercial	Israël	100	Full
Saft Batterie Italia Srl	Commercial	Italy	100	Full
Saft Finance Sarl	Holding company	Luxembourg	100	Full
Saft Batterijen BV	Commercial	Netherlands	100	Full
Saft AS Norway	Commercial	Norway	100	Full
Saft Batteries Pte Ltd	Holding company and commercial	Singapore	100	Full
Saft Baterias SL	Commercial	Spain	100	Full
Alcad AB	Commercial	Sweden	100	Full
Fast Jung KB	Property investment company	Sweden	100	Full
Saft AB	Manufacturing and commercial	Sweden	100	Full
Saft Sweden AB	Holding company	Sweden	100	Full
Saft UK Ltd	Manufacturing and commercial	United Kingdom	100	Full
Florida Substrate Inc. (PPF)	Manufacture of nickel-plated strips	United States	100	Full
Saft America Inc.	Manufacturing and commercial	United States	100	Full
Saft Federal Systems Inc. (Tadiran US)	Commercial	United States	100	Full
Saft JV Holding Co.	Holding company	United States	100	Full

In the above table above, "Full" signifies that the company is consolidated using the full consolidation method and "EA" ("Equity Accounted") means that a company is consolidated using the equity accounting consolidation method.

NOTE 4 INFORMATION BY BUSINESS SEGMENT AND GEOGRAPHICAL SEGMENT

4.1 INFORMATION BY BUSINESS SEGMENT

Since 1 July 2009, the Saft Group has been structured around the following business segments:

- the **Industrial Battery Group (IBG) division,** which manufactures rechargeable nickel and lithium-ion batteries and battery systems for demanding industrial applications such as aircraft safety, ground-check and starting systems, high-speed trains, urban transit networks, subways and trams, oil and gas, industrial installations, power generation and distribution, hospitals and public buildings, telecommunications networks and renewable energy storage. The IBG division also produces a specialised range of small rechargeable nickel batteries to be used for emergency lighting, professional electronics equipment such as portable medical devices, payment terminals, private mobile radio networks and professional audio and video equipment;
- the **Specialty Battery Group (SBG)** division, which designs and manufactures high-performance primary Lithium and rechargeable Li-ion batteries for the electronics, defence and space industries. The main applications for these products are satellites, utility meters, automatic meter-reading systems, electronic toll collection, medical equipment, launchers, missiles, torpedoes, asset tracking systems, sonar buoys, military radios and night vision goggles;
- the **Other** segment, which comprises the Group's holding companies. It also includes corporate functions such as IT, research, central management, and finance and administration.

Segment reporting data is based on the same accounting policies as those used for the Consolidated Financial Statements, as described in note 2. Performance measurement for each segment is based on EBITDA, EBIT and operating profit.

The tables below show the main interim financial information for each of the Group's divisions.

Operating profit by business segment

SIX-MONTH PERIOD ENDED 30 JUNE 2012

(in € million)	IBG	SBG	Other	Total
Total segment revenues	221.4	182.7		404.1
Minus intra-segment revenues	(45.3)	(44.0)		(89.3)
Consolidated revenues	**176.1**	**138.7**		**314.8**
EBITDA	**16.4**	**35.7**	**(1.8)**	**50.3**
Depreciation of intangible assets	(3.1)	(3.3)	(0.1)	(6.5)
Amortisation of property, plant & equipment	(7.2)	(4.2)	(0.3)	(11.7)
Impairment of Intangible assets		(0.8)		(0.8)
Amortisation of deferred grants related to assets	1.5			1.5
EBIT	**7.6**	**27.4**	**(2.2)**	**32.8**
Provisions for restructuring	(0.1)			(0.1)
Operating profit	**7.5**	**27.4**	**(2.2)**	**32.7**

SIX-MONTH PERIOD ENDED 30 JUNE 2011

(in € million)	IBG	SBG	Other	Total
Total segment revenues	225.8	179.0	0.0	404.8
Minus intra-segment revenues	(48.2)	(45.0)	0.0	(93.2)
Consolidated revenues	**177.6**	**134.0**	**0.0**	**311.6**
EBITDA	**25.3**	**32.2**	**(3.0)**	**54.5**
Depreciation of intangible assets	(2.7)	(3.9)	(0.1)	(6.7)
Amortisation of property, plant & equipment	(4.0)	(3.7)	(0.3)	(8.0)
Impairment of Intangible assets	0.0	(0.3)	0.0	(0.3)
Amortisation of deferred grants related to assets	0.0	0.0	0.0	0.0
EBIT	**18.6**	**24.3**	**(3.4)**	**39.5**
Provisions for restructuring	0.1	0.0	0.0	0.1
Other operating income/(expenses)	0.0	(0.4)	0.0	(0.4)
Operating profit	**18.7**	**23.9**	**(3.4)**	**39.2**

SIX-MONTH PERIOD ENDED 30 JUNE 2010

(in € million)	IBG	SBG	Other	Total
Total segment revenues	202.0	168.3	0.0	370.3
Minus intra-segment revenues	(41.3)	(39.0)	0.0	(80.3)
Consolidated revenues	**160.7**	**129.3**	**0.0**	**290.0**
EBITDA	**27.0**	**29.6**	**(2.4)**	**54.2**
Depreciation of intangible assets	(3.3)	(4.1)	0.0	(7.4)
Amortisation of property, plant & equipment	(4.1)	(3.6)	(0.3)	(8.0)
Impairment of Intangible assets	0.0	0.0	0.0	0.0
Amortisation of deferred grants related to assets	0.0	0.0	0.0	0.0
EBIT	**19.6**	**21.9**	**(2.7)**	**38.8**
Provisions for restructuring	(0.4)	0.0	0.0	(0.4)
Other operating income/(expenses)	1.9	0.0	0.0	1.9
Operating profit	**21.1**	**21.9**	**(2.7)**	**40.3**

Balance sheet by business segment

AS AT JUNE 30, 2012

(in € million)	IBG	SBG	Other	Total
Total segment assets	357.2	267.8	228.1	853.1
Total of non-allocated assets				105.3
TOTAL ASSETS				**958.4**
Total segment liabilities	(78.7)	(68.4)	(51.8)	(198.9)
Total non-allocated liabilities				(372.0)
TOTAL LIABILITIES (EXCLUDING SHAREHOLDERS' EQUITY)				**(570.9)**

AS AT DECEMBER 31, 2011

(in € million)	IBG	SBG	Other	Total
Total segment assets	327.6	265.2	221.1	813.9
Total of non-allocated assets				277.1
TOTAL ASSETS				**1,091.0**
Total segment liabilities	(76.5)	(67.8)	(58.3)	(202.6)
Total non-allocated liabilities				(481.8)
TOTAL LIABILITIES (EXCLUDING SHAREHOLDERSS EQUITY)				**(684.4)**

AS AT DECEMBER 31, 2010

	Continued operations			Discontinued operations	
(in € million)	IBG	SBG	Other	Johnson Controls-Saft	Total
Total segment assets	274.7	262.4	205.8	37.1	780.0
Total of non-allocated assets					203.3
TOTAL ASSETS					**983.3**
Total segment liabilities	(90.1)	(65.4)	(44.2)	0.0	(199.7)
Total non-allocated liabilities					(442.4)
TOTAL LIABILITIES (EXCLUDING SHAREHOLDERS' EQUITY)					**(642.1)**

Investments by business segment

SIX-MONTH PERIOD ENDED 30 JUNE 2012

(in € million)	IBG	SBG	Other	Total
Acquisitions of property, plant and equipment	19.4	5.4	0.6	25.4
Capitalisation of development costs	3.4	1.3		4.7
TOTAL	**22.8**	**6.7**	**0.6**	**30.1**

FINANCIAL YEAR 2011

(in € million)	IBG	SBG	Other	Total
Acquisitions of property, plant and equipment	50.9	8.5	1.3	60.7
Capitalisation of development costs	5.3	2.7	0.0	8.0
TOTAL	**56.2**	**11.2**	**1.3**	**68.7**

FINANCIAL YEAR 2010

(in € million)	IBG	SBG	Other	Total
Acquisitions of property, plant and equipment	61.6	8.0	0.8	70.4
Capitalisation of development costs	4.6	1.3	0.0	5.9
TOTAL	**66.2**	**9.3**	**0.8**	**76.3**

4.2 INFORMATION BY GEOGRAPHICAL REGIONS

CONSOLIDATED SALES BY GEOGRAPHICAL REGIONS

Consolidated sales, allocated on the basis of the geographical location of customers, are as follows at 30 June 2012:

(in € million)	**6-month period ended 30/06/2012**	6-month period ended 30/06/2011	6-month period ended 30/06/2010
Europe	147.9	160.3	140.1
North America	104.4	94.7	93.6
Asia/Oceania	35.5	39.1	33.3
Middle East and Africa	23.0	15.2	20.7
South America	4.0	2.3	2.3
TOTAL	**314.8**	**311.6**	**290.0**

ASSETS BY GEOGRAPHICAL REGIONS

The Group's assets, allocated on the basis of their geographical location, are as follows at 30 June 2011:

(in € million)	**As of June 30, 2012**	As of December 31, 2011	As of December 31, 2010
Europe	639.3	794.5	684.8
North America	245.4	226.5	235.3
Asia/Oceania	30.7	27.1	25.9
Middle East and Africa	42.9	42.9	37.3
South America	0.1	0.0	0.0
TOTAL	**958.4**	**1,091.0**	**983.3**

ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND CAPITALISATION OF DEVELOPMENT COSTS BY GEOGRAPHICAL REGIONS

Acquisitions of property, plant and equipment, intangible assets and capitalisation of development costs, allocated according to the geographical location of the assets, are as follows:

(in € million)	**6-month period ended June 30, 2012**	6-month period ended June 30, 2011	6-month period ended June 30, 2010
Europe	9.7	9.7	9.1
North America	18.2	32.3	16.9
Asia/Oceania	1.1	0.2	0.1
Middle East and Africa	1.1	0.9	1.2
South America	0.0	0.0	0.0
TOTAL	**30.1**	**43.1**	**27.3**

NOTE 5 SHAREHOLDERS' EQUITY

The consolidated statement of changes in shareholders' equity is presented in above section 2.5.

5.1 SHARE CAPITAL

As of 30 June 2012, Saft Groupe SA's share capital was made up of 25,174,845 ordinary shares with a par value of €1, unchanged as compared with share capital as of 31 December 2011.

5.2 DIVIDEND

At the Annual Shareholders' Meeting of Saft Groupe SA on May 11, 2012, the shareholders set the ordinary dividend for the 2011 financial year at €0.72 per ordinary share. They also approved the distribution of a special dividend of €1.0 per share.

The total amount of the cash dividend paid to shareholders on 21 May 2012 thus amounted to €43.1 million compared with a dividend payout of €17.6 million in 2011.

NOTE 6 PUBLIC SUBSIDIES

6.1 PUBLIC GRANTS RELATED TO ASSETS

Public grants received that relate to assets are presented under balance sheet liabilities as deferred income on a specific line called "Deferred grants related to assets". These grants are recorded as income over the depreciation period of the assets that they are used to fund. This income is recorded in cost of sales like the depreciation expense for the related assets.

At 30 June 2012, the amount of the public grants received with regard to the industrial project in Jacksonville totals €56.7 million ($71.3 million) compared with €48.1 million ($62.4 million) by the end of 2011.

6.2 PUBLIC GRANTS RELATED TO RESULTS

Public grants related to results, *i.e.* grants other than those related to assets, are recorded in income as a deduction from the expenses to which they relate.

Public grants related to results recorded in H1 2012 in respect of the Jacksonville project amounted to €0.8 million ($1.0 million) compared with €3.2 million ($4.5 million) in H1 2011.

NOTE 7 BORROWINGS AND OTHER FINANCIAL INDEBTEDNESS

During the first quarter of 2012, the Group refinanced its entire bank debt, partly through the signing with a group of leading banks of a syndicated loan including a €100 million five-year term loan and a €100 million revolving credit facility and, partly, through a issue of senior unsecured bonds on the US private market for US$150 million.

7.1 ANALYSIS OF FINANCIAL INDEBTEDNESS

Change in the Group financial indebtedness as compared to previous year-end is as follows:

FINANCIAL INDEBTEDNESS BY TYPE

(in € million)	**As of June 30, 2012**	As of December 31, 2011	As of December 31, 2010
Non-current			
Bank borrowings	100.0	100.0	329.6
Bonds	119.2	0.0	0.0
Deferred bank fees	(2.1)	0.0	(3.7)
Other financial debts	0.6	0.5	0.7
Finance leases	0.7	0.7	1.1
	218.4	**101.2**	**327.7**
Current			
Bank borrowings	0.0	235.5	0.0
Bonds	0.0	0.0	0.0
Accrued interest	1.9	0.1	1.7
Finance leases	0.1	0.2	0.2
Other financial debts	2.2	1.6	0.0
R&D grants	0.5	0.4	0.4
	4.7	**237.8**	**2.3**

Like the previous banking agreement, the new banking agreement comprises a certain number of the usual provisions contained in this type of agreements.

Sales and acquisitions made by the Group are thus subject to a certain number of usual conditions. Similarly, any additional loan contracted by the Group for an amount of over €120 million and/or over 10% of group total balance sheet amount is subject to contractual limitations.

The banking agreement contains change of control clauses concerning the Company, enabling each lender to request early repayment of the share of the credit facilities that it granted.

Finally, pursuant to this agreement, the granting and continuation of the loans is conditional upon meeting certain financial ratios:

- maximum leverage ratio (net financial debt to EBITDA) of 3.0 for each 12-month period ending 30 June and 31 December of each year; and
- minimum interest coverage ratio (contractually defined EBITDA to total net interest) of 4.5 for each 12-month period ending on 30 June and 31 December.

The contract signed between the group and the holders of the bonds issued on the private market in the United States contains identical provisions.

At 30 June 2012, the Group's leverage ratio, calculated according to the contractual terms and conditions, amounted to 1.08 (compared to 0.54 at 31 December 2011) and the interest coverage ratio to 12.5 (compared to 12.1 at 31 December 2011).

FINANCIAL NON-CURRENT INDEBTEDNESS BY MATURITY

(in € million)	**As of June 30, 2012**	As of December 31, 2011	As of December 31, 2010
Between 1 and 2 years	0.6	0.7	330.4
Between 2 and 5 years	100.4	100.5	1.0
More than 5 years	119.5	0.0	0.0
	220.5	**101.2**	**331.4**
Bank fees	(2.1)	0.0	(3.7)
	218.4	**101.2**	**327.7**

FINANCIAL INDEBTEDNESS BY CURRENCY

(in € million)	**As of June 30, 2012**	As of December 31, 2011	As of December 31, 2010
Euro	103.7	153.7	151.9
USD	121.5	185.9	181.8
	225.2	**339.6**	**333.7**
Bank fees	(2.1)	(0.6)	(3.7)
	223.1	**339.0**	**330.0**

7.2 INTEREST RATE RISK MANAGEMENT

The new euro bank debt is bearing variable interest rate with an initial margin set at 1.4% above Euribor. This margin will be reviewed semi-annually depending on Group's leverage ratio (the level of the Group net debt reported to the consolidated EBITDA margin over the last twelve months preceding the date of fixing). Interest margin may thus vary from 1.4% to 2.15%. From July 1st, 2012, the margin has been adjusted from 140 to 150 b.p.

On 27 April 2012, part of the euro bank dabt interest rate risk has been hedged for the period from 6 June 2012 to 6 June 2015. During this period, €25 million of the total bank debt will bear fixed interest rate of 0.9475%.

US dollar bonds issuing is at fixed rates, the $75 million tranche due in February 2019 (7-year maturity) has a fixed coupon of 4.26% and the $75 million tranche due in February 2022 (10-year maturity) bearing fixed interest rate of 4.73%.

NOTE 8 NET FINANCE COSTS

The Group's net finance costs for H1 2012 break down as follows:

(in € million)	**Period ended 30/06/2012**	Period ended 30/06/2011	Period ended 30/06/2010
Financial income from cash and cash equivalents	0.6	0.7	0.3
Finance costs on gross debt	(5.2)	(6.6)	(7.8)
Net cost of financial debt	**(4.6)**	**(5.9)**	**(7.5)**
Other financial income and expenses:			
■ Unwinding of discounts on provisions for pensions and other financial liabilities	(1.2)	(1.2)	(1.0)
■ Foreign exchange gains/(losses)	0.4	0.3	(0.6)
■ Fair value remeasurement of financial instruments	0.5	(0.1)	2.6
	(4.9)	**(6.9)**	**(6.5)**

The composite interest rate on financial debt (including the cost of interest rate hedges) was 3.32% during the first half of 2012, compared to a rate of 3.27% in H1 2011 and 4.05% in H1 2010.

By currency, the average rates break down as follows:

- 2.63% on euro debt in H1 2012, compared with 3.33% in H1 2011 and 2.79% in H1 2010;
- 3.90% on US dollar debt in H1 2012, compared with 3.22% in H1 2011 and 5.09% in H1 2010.

NOTE 9 RELATED-PARTY TRANSACTIONS AND INVESTMENTS IN JOINT UNDERTAKINGS

Following the sale by the Group of its 49% stake in the joint venture Johnson Controls-Saft on 30 September 2011, investments in associates are limited to a 50% interest in ASB, the joint venture with EADS.

Accordingly, amount reported under "Share of profit/(loss) of associate" line of the Group consolidated income statement only relates to Saft Group's 50% share in net profit of ASB joint venture.

The Group does not realise any sales with ASB, a company in which it holds a 50% interest and which is consolidated under the equity method. Support services provided and invoiced by the Saft Group to the ASB group are not significant.

NOTE 10 INCOME TAXES

With regard to current and deferred tax expense recorded in the interim financial statements, this provision is calculated by applying the estimated annual tax rate for the current fiscal year in process for each entity or tax group to profit before income tax for the period.

Income tax charge on continuing operations represents an overall tax rate of 29.6% compared to an overall tax rate of continuing operations of 27.3% in H1 2011 and 27.7% in FY 2011.

The total income tax charge for the first half-year breaks down as follows:

(in € million)	**6-month period ended 30/06/2012**	6-month period ended 30/06/2011 Restated	6-month period ended 30/06/2010 Restated
Current income tax revenue/(expense)	(4.9)	(6.1)	(3.3)
Deferred income tax revenue/(expense)	(3.5)	(2.9)	(3.5)
Total income tax expense on profit from continuing operations	**(8.4)**	**(9.0)**	**(6.8)**
Income tax revenue/(expense) from discontinued operations	0.0	4.1	2.0
INCOME TAX EXPENSE	**(8.4)**	**(4.9)**	**(4.8)**

H1 2011 income tax expense for continuing operations represents an overall tax rate of 29.6%, as compared with overall tax rates of 27.3% and 27.7% in H1 and FY 2011 respectivelly.

NOTE 11 NET INCOME FROM DISCONTINUED OPERATIONS

Net income from discontinued operations for H1 2011 and 2010 only concerns transactions related to the Johnson Controls-Saft joint venture which was 49%-owned by the Group until 30 September 2011, date at which Saft sold its stake in the joint venture.

(in € million)	**6-month period ended 30/06/2012**	6-month period ended 30/06/2011	6-month period ended 30/06/2010
Share of profit/(loss) in Johnson Controls-Saft	0.0	(12.4)	(6.9)
Income tax revenue/(expense)	0.0	4.1	2.0
NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS	**0.0**	**(8.3)**	**(4.9)**

NOTE 12 EARNINGS PER SHARE

Earnings per share are calculated on the basis of the actual average number of Saft Groupe SA shares in issue during the half year, treasury shares held on average over the same period being deducted.

NOTE 13 POST-BALANCE SHEET EVENTS

On July 20, 2012, the Group made the decision to initiate a process to divest of its small nickel battery business whose products are solely manufactured in the production site of Nersac, France, the markets addressed by this activity being not strategic for the group. This sale, the process for which shall begin before the end of the month, will allow the group to allocate more efforts and resources on higher value added products and markets such as the strategic Nersac lithium ion activity the Group commited to acquire from Johnson Controls with effect from 1 January 2013.

STATUTORY AUDITORS' REVIEW REPORT
ON THE 2012 INTERIM FINANCIAL INFORMATION

(Period from 1 January to 30 June 2012)

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code *(Code monétaire et financier)*, we hereby report to you on:

- the review of the accompanying Condensed Interim Consolidated Financial Statements of Saft Groupe SA, for the six-month period ended 30 June 2012;
- the verification of the information contained in the interim management report.

These Condensed Interim Consolidated Financial Statements are the responsibility of the Board of Directors.

Our role is to express a conclusion on these financial statements based on our review.

CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Consolidated Financial Statements are not prepared, in all material respects, in accordance with IAS 34 – the standard of IFRSs as adopted by the European Union applicable to interim financial information.

SPECIFIC VERIFICATION

We have also verified the information given in the interim management report on the Condensed Interim Consolidated Financial Statements subject to our review. We have no matters to report as to its fair presentation and consistency with the Condensed Interim Consolidated Financial Statements.

Neuilly-sur-Seine and Paris, 23 July 2012
The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Françoise GARNIER-BEL	Juliette DECOUX

CERTIFICATE BY THE PERSONS RESPONSIBLE

FOR THE INTERIM REPORT

We attest that, to the best of our knowledge, the Interim Condensed Consolidated Financial Statements are prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the interim management report gives a fair view of the information referred to in article 222-6 of the *règlement général* of the *Autorité des marchés financiers*.

John Searle
Chairman of the Management Board

Bruno Dathis
Member of the Management Board
and Chief Financial Officer

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