



## Saft Groupe SA reports sales for the 3<sup>rd</sup> quarter of 2012

Paris, 25th October 2012 - Saft, leader in the design and manufacture of advanced technology batteries for industry, announces its sales for the third quarter of 2012.

### Q3 Sales highlights

- Q3 sales of €144.0m, an increase of 4.6% YoY as reported but a reduction of 1.1% at constant exchange rates.
- YTD sales of €458.9m, an increase of 2.1% YoY as reported but a reduction of 2.1% at constant rates.
- 2012 sales are now expected to be down around 2% YoY. Full year EBITDA margin should be in line with that achieved during H1.

John Searle, Chairman of the Management Board, commented: *“Saft continues to be impacted by difficult market conditions resulting in an underperformance in a number of our activities. As a result, our revised sales guidance will not be achieved at constant rates and this reduction in volumes will impact year-end profitability.*

*Levels of order intake remain satisfactory. Saft is also seeing a structural change in its backlog with proportionally more project based, longer lead time business and less recurring business.*

*Progress in our strategic Li-ion developments continues to be positive. Steady operational improvements are being made in the Jacksonville factory. Saft continues to see improving levels of commercial success in the identified Li-ion markets and is finding new applications requiring Li-ion batteries.*

*I remain confident that the strategic investments we are making in Li-ion manufacturing assets, technology and product developments will deliver the profitable growth we have identified and communicated.”*

**TURNOVER** (€ million, at actual exchange rates)**Third quarter 2012**

In € million			Variations in %	
Product line	Q3 2012	Q3 2011	At actual exchange rates	At constant exchange rates
IBG	81.3	76.4	6.5%	1.9%
SBG	62.7	61.3	2.3%	(4.8%)
<b>Total</b>	<b>144.0</b>	<b>137.7</b>	<b>4.6%</b>	<b>(1.1%)</b>

The average €/€ exchange rate in Q3 2012 was €1 to \$1.25 (compared with €1 to \$1.41 in Q3 2011).

There was no change in perimeter between Q3 2011 and Q3 2012.

**YTD** (9 months to September)

In € million			Variations in %	
	Sept YTD 2012	Sept YTD 2011	At actual exchange rates	At constant exchange rates
IBG	257.5	254.0	1.3%	(2.0%)
SBG	201.4	195.3	3.2%	(2.2%)
<b>Total</b>	<b>458.9</b>	<b>449.3</b>	<b>2.1%</b>	<b>(2.1%)</b>

The average €/€ exchange rate YTD September 2012 was €1 to \$1.28 (compared with €1 to \$1.41 YTD September 2011).

There was no change in perimeter between YTD September 2011 and YTD September 2012.



## Industrial Battery Group (IBG)

Sales during Q3 were €81.3m, a growth of 6.5% YoY as reported and 1.9% at constant exchange rates. YTD sales are down 2.0% at constant rates.

Sales in the stationary back-up power activity were a little weaker than H1 due to the performance in the industrial stand-by market. Q3 sales in the renewable energy storage market were low as most of the contracts announced in July are to be delivered in Q4.

Transportation sales grew strongly in the quarter due to a large increase in demand for replacement aviation batteries coupled with a weak comparable.

The small nickel battery activity recorded lower sales but the decline was significantly less severe than during H1.

## Specialty Battery Group (SBG)

Sales during Q3 were €62.7m, a growth of 2.3% YoY as reported but a reduction of 4.8% at constant exchange rates. YTD sales are down 2.2% at constant rates.

The civil activities recorded reduced sales during the quarter. The sales into the electronics market were impacted by the effects of a fire in a facility which reduced sales in this segment by approximately 3-4% during the quarter and there is likely to be a similar effect during Q4.

After strong growth during H1, sales to the space market will be lower in H2 due to the timing of project deliveries.

The military activity was slightly weaker than H1 and prior year and Saft is seeing increased delays in securing orders for recurring business.

## Li-ion Business Development

Following the successes noted during Q2 there has been very positive progress in the renewable energy storage market with Saft being selected for 15MWh of business since the end of Q2. The majority of this is for delivery in 2013 and is linked to grid scale projects in the North American market. The number of future opportunities remains high with a good level of bidding activity.

Secondly, during the quarter, Saft announced the launch of a range of Li-ion products for the rail market. These batteries will be used to power hybrid tramway systems with recuperative braking, an application that is complementary to Saft's traditional rail back-up power activities. Initial contracts have been secured for delivery in 2013/2014.



## Financial calendar 2013

2012 Q4 turnover + FY earnings	18 <sup>th</sup> February 2013
2013 Q1 turnover	25 <sup>th</sup> April 2013
2013 Q2 turnover + half year earnings	24 <sup>th</sup> July 2013
2013 Q3 turnover	24 <sup>th</sup> October 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](http://www.saftbatteries.com)

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