INTERIM FINANCIAL REPORT
first half-year 2015

PROMISING INNOVATION

OVER 4,000 PEOPLE COMMITTED
TO OUR CUSTOMERS' FUTURE

Since 1918, world leading company for advanced batteries designed for industry

saft

Contents

Important legal information and cautionary statements:

The condensed interim consolidated financial statements for the six months ended 30 June 2015 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 forward-looking statements.

1

Interim management report

First half-year 2015

1.1 2015 FIRST HALF REVENUE AND CONSOLIDATED RESULTS HIGHLIGHTS

(in € million)	**Six months ended 30 June 2015**	Six months ended 30 June 2014 restated(1)	2015/2014 growth in %(2)	Six months ended 30 June 2013 restated(1)
Revenue	370.8	330.1	0.4%	284.9
Gross profit	110.8	92.9	19.3%	77.7
Gross margin (%)	*29.9%*	*28.1%*		*27.3%*
EBITDA(3)	57.5	49.1	17.1%	38.6
EBITDA margin (%)	*15.5%*	*14.9%*		*13.5%*
EBIT(4)	38.2	29.9	27.8%	19.2
EBIT margin (%)	*10.3%*	*9.1%*		*6.7%*
Operating profit	38.3	29.4	30.3%	24.8
Net profit from continuing operations	30.1	20.8	44.7%	15.4
Net profit/(loss) from discontinued operations	-	-		(5.2)
Net profit for the period	30.1	20.8	44.7%	10.2
Total EPS *(in € per share)*	1.12	0.80	40.0%	0.41
EPS from continuing operations *(in € per share)*	1.12	0.80	40.0%	0.61

(1) 2014 and 2013 condensed interim consolidated financial statements have been restated to be comparable with 2015 condensed interim consolidated financial statements 2015 following the application of IFRIC Interpretation 21 on the recognition date for liabilities for levies, other than income taxes, imposed by public authorities. The impact of the application of IFRIC 21 on the condensed interim consolidated financial statements is presented in note 2 to the condensed interim consolidated financial statements shown below.

(2) Percentages changes are at actual exchange rates except for revenue which is at constant exchange rates. The average EUR/USD exchange rate during H1 2015 was €1 = US$1.12, compared with €1 = US$1.37 during H1 2014.

(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.

Group **revenue** for the first half of 2015 amounted to €370.8 million, up by 12.4% compared with the first half of 2014 at actual exchange rates and up by 0.4% at constant exchange rates.

This reflects a 4.3% decrease in revenue in the second quarter at constant exchange rates, after a 5.9% increase in revenue in the first quarter of 2015 at constant exchange rates.

H1 2015 overall business performance includes a strong sales growth in transportation, civil electronics and space markets, a limited growth in sales of stationary back-up power batteries and a further reduction in defence activities.

Evolution of sales by division and market segment is presented below.

Sales of Li-ion batteries for the first half of 2015 decreased by almost 30% compared with the same period in 2014. This mainly results, as expected, from the sharp reduction in sales of Evolion® batteries to the Indian telecommunications network operator Reliance Jio Infocomm Limited but also, to a lesser extent, from lower sales of large battery systems for energy storage and renewable energy ("ESS" market). However, the Group recorded high order intake for lithium-ion batteries during the first half of the year. Accordingly, sales of lithium-ion batteries are expected to grow strongly during the second half of the year.

Gross profit stood at €110.8 million in the first half of 2015, an increase of €17.9 million or 19.3% over the first half of 2014. The application of IFRIC 21 led to a reduction in gross margin of €1.4 million in the first half of 2015 and €1.6 million in the first half of 2014.

Gross profit margin was 29.9% for the first half of 2015 (30.3% before the application of IFRIC 21), versus a restated gross profit margin of 28.1% for the same period in the previous year (28.6% before restatement following the application of IFRIC 21).

The strong increase in gross profit margin is mainly due to:

- the positive impact of a stronger dollar against the euro;
- the improvement in gross profit margin from increased sales volumes in traditional technologies;
- a rise of more than €6.3 million in the negative contribution of lithium-ion production units from Jacksonville and Nersac compared with the first half of 2014.

EBITDA for the first half of 2015 amounted to €57.5 million (€58.9 million before the application of IFRIC 21), equating to an EBITDA margin of 15.5%, compared with restated EBITDA of €49.1 million or 14.9% of revenue in the first half of 2014 (EBITDA margin before the application of IFRIC 21 was 15.9% in the first half of 2015 and 15.4% in the first half of 2014). The 60 basis points increase of the EBITDA margin is mainly due to the favorable impact of foreign exchange rates, particularly a stronger US dollar against the euro.

After amortisations and depreciations of €19.3 million (versus €19.2 million in H1 2014), **EBIT margin** in the first half stood at €38.2 million (€39.6 million before the application of IFRIC 21), representing a margin of 10.3% of revenue (10.7% of revenue before restatement following the application of IFRIC 21), compared with an EBIT margin of €29.9 million or 9.1% of revenue in the first half of 2014 (€31.5 million or 9.4% of revenue before restatement following the application of IFRIC 21).

After taking into account restructuring costs and other operating income and expenses, Group **operating profit** for the first half of 2015 was €38.3 million, up 30.3% over the same period in the previous year. The operating margin thus amounted to 10.3% of revenue in the first half of 2015, an increase of 140 basis points compared to that recorded in the first half of 2014.

Net finance costs for the first half dropped by €1.0 million to reach €1.8 million. This reduction is mainly due to a foreign exchange gain of €3.1 million in the first half, versus a net foreign exchange gain of €1.5 million in 2014.

Income tax expense for the first half of 2015 amounted to €7.2 million, representing an overall Group tax rate of 19.3% compared with a restated rate of 23.0% in the first half of 2014. The reduction in the overall tax rate is mainly due to reversal of unused provisions for tax risks.

Net profit for the first half of 2015 was €30.1 million (including net profit attributable to owners of the parent of €30.2 million), versus a restated net profit of €20.8 million in the first half of 2014, marking a sharp increase of nearly 45%.

Basic earnings per share amounted to €1.12 for the first half of 2015, compared with a restated EPS of €0.80 in the first half of 2014, representing a 40% year-on-year increase.

1.2 RESULTS BY DIVISION

SECOND-QUARTER REVENUE BY DIVISION (UNAUDITED)

			Change (in %)	
(in € million)	**Second quarter 2015**	Second quarter 2014	At actual exchange rates	At constant exchange rates
IBG	111.2	112.3	(0.9)%	(12.2)%
SBG	78.3	63.5	23.3%	9.7%
TOTAL	**189.5**	**175.8**	**7.8%**	**(4.3)%**

The average EUR/USD exchange rate during Q2 2015 was €1 = US$1.10, compared with €1 = US$1.37 during Q2 2014.

HALF-YEAR RESULTS BY DIVISION

	Six months ended 30 June 2015				Six months ended 30 June 2014		
	Revenue (€m)	Change (in %)(1)	EBITDA (€m)	EBITDA Margin (in %)	Revenue (€m)	EBITDA(2) restated (€m)	EBITDA(2) Margin restated (in %)
IBG	220.9	(3.9)%	23.7	10.7%	205.5	22.7	11.0%
SBG	149.9	7.5%	38.3	25.5%	124.6	29.8	23.9%
Other	N/A	N/A	(4.5)	N/A	-	(3.4)	N/A
TOTAL	**370.8**	**0.4%**	**57.5**	**15.5%**	**330.1**	**49.1**	**14.9%**

(1) Changes in revenue are expressed at constant exchange rates. The average EUR/USD exchange rate during H1 2015 was €1 = US$1.12, compared with €1 = US$1.37 during H1 2014.

(2) 2014 and 2013 condensed interim consolidated financial statements have been restated to be comparable with 2015 condensed interim consolidated financial statements following the application of IFRIC Interpretation 21 on the recognition date for liabilities for levies, other than income taxes, imposed by public authorities. The impact of the application of IFRIC 21 on the condensed interim consolidated financial statements is presented in note 2 to the condensed interim consolidated financial statements shown below.

N/A: not applicable.

Changes in consolidated revenue by market segment are shown below:

	Six months ended 30 June 2015	Six months ended 30 June 2014	Change at constant exchange rates
Stationary back-up power and energy storage systems	122.7	125.3	(13.8)%
Transportation (aviation, rail and vehicles)	91.7	73.9	13.1%
Sales of battery components	6.5	6.3	3.0%
TOTAL IBG	**220.9**	**205.5**	**(3.9)%**
Civil electronics	108.3	85.5	13.4%
Space & defence	41.6	39.1	(5.1)%
TOTAL SBG	**149.9**	**124.6**	**7.5%**
TOTAL CONSOLIDATED REVENUE	**370.8**	**330.1**	**0.4%**

A) INDUSTRIAL BATTERY GROUP (IBG)

At €220.9 million, the division's sales recorded during the first half of 2015 a 7.5% increase as reported but a 3.9% decrease at constant exchange rates.

After revenue growth of 6.3% at constant exchange rates during the first quarter, the second quarter recorded a significant decrease in activity, with revenue down 12.2% at constant exchange rates compared to the second quarter of the previous year.

The reduction in sales of the IBG division during the first half-year resulted mainly from a sharp reduction of almost 14% in sales of batteries for **stationary back-up power and energy storage systems.** Sales of batteries for industrial stationary systems continued to grow during the first half, despite weak sales to the oil market, especially in the Middle East. Sales to the telecommunications network market sharply decreased compared with the first half of 2014. This reduction in sales was expected given the anticipated decrease in sales of Evolion® lithium-ion batteries to the Indian telecommunications network operator Reliance Jio Infocomm Limited, and despite strong growth in sales of nickel batteries for telecommunications networks in the United States.

Lastly, sales of batteries designed for energy storage applications ("ESS" or Energy Storage Solutions market) recorded a sharp decline in the first half of 2015, higher that anticipated at the beginning of the year.

Transportation markets continued to record a strong performance building on that of 2014, with an increase in first half-year sales of more than 13% at constant exchange rates. The industrial vehicle market segment recorded the strongest sales growth including an increase in sales of lithium-ion batteries of 45.0%. Sales to the aviation market continued to grow during the first-half of the year, driven by sales of lithium-ion batteries and despite a slowdown in the growth of sales of replacement batteries for commercial aviation. Lastly, sales to the railway segment continued to increase at a pace similar to that seen in 2013 and 2014.

Geographically, IBG division sales rose strongly in Europe and to a lesser extent in North America. They remained broadly stable in the Middle East, marked by a slowdown in the oil and gas market. Lastly, they fell sharply in Asia as a result of the major reduction in sales of lithium-ion batteries for telecommunications networks in India.

IBG revenue should resume growth during the second half of 2015, with an expected strong growth in sales of stationary batteries, driven by sales of Evolion® lithium-ion batteries to the telecommunications networks market. The transportation markets should see a slowdown in sales growth during the second half of 2015 compared with those in the first half.

EBITDA for the division for the first half of 2015 totalled €23.7 million or 10.7% of revenue, compared with an EBITDA of €22.7 million or 11.0% of revenue in the first half of 2014. The slight increase in EBITDA of the division covers a strong improvement in the profitability of operations as a consequence of a stronger US dollar against the euro. However, the improvement in profitability has been more than offset by the increase of more than €7 million in losses generated by the lithium-ion production units of Jacksonville and Nersac, compared with the first half of 2014. The increase in EBITDA margin generated by increased sales volumes of nickel batteries was largely offset by the increase in nickel purchasing costs, including hedging costs.

Lithium-ion batteries sales growth forecasted for the second half of the year should lead to a sharp reduction of the negative contribution of the lithium-ion production units of Jacksonville and Nersac to the EBITDA of the division over the same period.

B) SPECIALTY BATTERY GROUP (SBG)

SBG division revenue over the first six months amounted to €149.9 million, a 20.3% increase as reported and a 7.5% increase at constant exchange rates. Sales increased by 9.7% during the second quarter at constant exchange rates, following a rise by 5.2% recorded during the first quarter.

This excellent sales performance was driven by sustained strong growth in sales to the **civil electronics markets** during the second quarter, leading to an overall sales growth of 13.4% for the first six months of 2015. This business growth results from increased sales to many of the civil electronics markets in which the Group is present. Sales growth was particularly buoyant in the metering market while the oil drilling market recorded a sharp decline in business during the first half of the year. Europe has been the main driver of the growth in sales to civil electronics markets. Asia and North America recorded lower sales growth in the first half of 2015.

The **space and defense market** saw a 5.1% sales reduction during the first half of 2015. The contraction is attributable to the defense activities with sales falling by 15.1%, while the space market recorded, as anticipated, a sales growth of almost 15% during the first half of 2015. During the first half of the year, the Group renewed two long-term commercial agreements with leading global players in the space market.

The Specialty Battery Group division should continue to grow its revenue in the second half, but at a slower pace than during the first half of 2015.

At €38.3 million, EBITDA of SBG division strongly increased to 25.5% of revenue in the first half compared with an EBITDA margin of 23.9% in the first half of 2014. This strong improvement results equally from increased sales volumes and a favourable currency impact mainly consequential to a stronger US dollar against the euro.

C) OTHER ACTIVITIES

Corporate expenses that are not allocated to the operational divisions led to a negative EBITDA of the “Other” division of €4.5 million in the first half of 2015, compared with a restated EBITDA loss of €3.4 million for the same period in 2014. This evolution results from reversal in H1 2014 of provisions amounting to € 0.7 million.

1.3 OTHER ITEMS OF CONSOLIDATED INCOME

OTHER OPERATING INCOME AND EXPENSES

No other material operating income or expense items were recorded during the first half of 2015 and 2014.

OPERATING PROFIT

The Group's operating profit amounts to €38.3 million for the first half of 2015, compared with €29.4 million for the first half of 2014 when the Group incurred €0.5 million in restructuring costs. The application of IFRIC 21 had a negative impact of €1.4 million on operating profit in the first half of 2015 compared with a negative impact of €1.6 million during the first half of 2014.

Operating profit increased by more than 30% year-on-year, representing 10.3% of sales in the first half of 2015 compared with only 8.9% a year earlier.

NET FINANCE COSTS

Net finance costs in the first half of 2015 amounted to €1.8 million compared with €2.8 million for the first half of 2014.

The net cost of debt was €3.6 million, compared with €3.5 million in the first half of 2014. The composite interest rate of the Group's debt, net of hedging, was 3.26% in the first half of 2015, compared to a rate of 3.28% for the full year 2014.

The first-half 2015 reduction in net finance costs results from a €3.1 million foreign exchange gain, compared with a €1.5 million foreign exchange gain for the same period in 2014. H1 2015 profit from foreign exchange is due to the conversion into euro of cash positions held in foreign currencies, in particular that in US dollar.

SHARE OF PROFIT/(LOSS) OF ASSOCIATES

The Group's share of the net profit for the first half of 2015 of ASB, its 50/50 joint venture with the Airbus group, was €0.8 million compared with €0.4 million for the first half of 2014.

NET PROFIT FROM CONTINUED OPERATIONS

After accounting for the Group's 50% share of the profit of ASB, its joint venture, representing a positive contribution of €0.8 million during the first half of 2015, profit before income tax from continuing operations was €37.3 million for the first half of 2015, compared with €27.0 million for the same period in 2014.

Group income tax expense related to continuing operations totalled €7.2 million during the first half of 2015, representing a groupwide overall tax rate of 19.3%, versus a restated tax expense of €6.2 million in the first half of 2014, corresponding to a 23.0% Group tax rate on continuing operations. The reduction in the overall tax rate is mainly due to reversal of unused provisions for tax risks.

Accordingly, net profit from continuing operations during the first half of 2015 totalled €30.1 million, compared with a net profit of €20.8 million during the first half of 2014 on a like-for-like basis. The application of IFRIC 21 had a negative impact of €0.9 million for the first half of 2015 compared with a negative impact of €1.0 million for the first half of 2014.

NET PROFIT

The consolidated net profit during the first half of 2015 totalled €30.1 million, compared with a restated net profit of €20.8 millon during the first half of 2014, a sharp year-on-year increase of 44.7%.

Basic earnings per share amounted to €1.12 for the first half of 2015, compared with restated basic earnings per share of €0.80 for the same period of 2014.

1.4 MAIN CASH FLOWS OVER THE PERIOD

CASH FLOWS FROM OPERATING ACTIVITIES

Net cash generated by operating activities amounted to €43.1 million for the six-month period ended 30 June 2015, up by €15.3 million or 55% over the same period in 2014. The strong cash generation is the result of well-controlled working capital, which increased by €8.2 million or 7.2% at actual exchange rates for revenue growth of 12.3% at current exchange rates over the same period.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash used by investing activities in the first half of 2015 totalled €16.0 million, compared with €17.2 million in the first half of 2014.

Capital expenditures amounted to €14.3 million during the first half of 2015, stable over the same period of 2014.

Investments in intangible assets which are mainly consisting of capitalised development costs, amounted to €2.0 million, compared with €3.1 million during the first half of 2014. These investments relate to the development of new products intended to boost the Group's sales growth.

CASH FLOWS FROM FINANCING ACTIVITIES

Financing activities generated net cash of €6.0 million in the first half of 2015, while they used €7.4 million in the same period of the previous year.

The main cash flows from financing activities included the payment of a dividend to Saft shareholders in the amount of €10.0 million (considering that 55% of shareholders opted for payment of the dividend in the form of shares) and proceeds of €15.7 million arising from capital increases following the exercise of stock options by Group employees in the first half of 2015.

FREE CASH FLOW

As a result of the increase in the Group's profitability, well-controlled working capital and broadly stable capital expenditures, the Group generated a free cash flow of €27.4 million during the first half of 2015, compared with positive free cash flow of €10.6 million during the same period of the previous year.

1.5 CONSOLIDATED FINANCIAL POSITION

The Group's financial position at 30 June 2015 shows the following main changes compared with 31 December 2014:

- a slight increase in non-current assets to €620 million;
- stable aggregate values of current assets(1) and current liabilities(2);
- a sharp increase in the Group's cash and cash equivalents to €190.5 million, after the €10.0 million dividend payment;
- a €53.0 million increase in equity to €527.9 million, taking into account a €15.7 million increase following the exercise of stock options by Group employees;
- lastly, a €10.3 million increase in gross debt to €237.9 million solely due to the effect of a stronger US dollar against the euro, as part of the Group's debt is denominated in that currency.

(1) Excluding cash and cash equivalents.

(2) Excluding financial liabilities and provisions.

1.6 OTHER KEY EVENTS IN THE FIRST HALF OF 2015

ANNUAL GENERAL MEETING AND DIVIDEND

At the Annual General Meeting of 12 May 2015, Saft Groupe SA's shareholders voted for a dividend payment of €0.82 per share for the 2014 financial year, an increase of 5.1% over the dividend for the previous year. The General Meeting also approved the option for dividend payment in shares. Taking into consideration the procedures used, the issue price of shares was fixed at €31.34 per share. Shareholders representing more than 55% of the share capital opted for dividend payment in shares. The capital increase that followed therefrom is described in note 5 to the condensed interim consolidated financial statements.

INVESTMENT PROJECTS

Major investments projects are currently underway to increase the Group's production capacity in primary lithium batteries in the United States, France, Israel and China. Individual projects represent investments of about €3 to 5 million.

1.7 RELATED-PARTY TRANSACTIONS

The nature of the transactions entered into by the Group with related parties remained unchanged compared with the situation described in note 28 to the 2014 consolidated financial statements, included on page 147 of the 2014 Registration Document filed with the French Financial Markets Authority *(Autorité des marchés financiers)* on 18 February 2015.

1.8 RISKS AND UNCERTAINTIES WITH REGARD TO THE SECOND HALF OF 2015

Saft considers that the main risks to which the Group is exposed are the same as those described on pages 23 to 34 of the 2014 Registration Document, whether related to the market environment in which the Group operates or operational risks such as those related to defects or non-quality products.

The main specific uncertainties for the second half of 2015 concern:

- developments in the global economic situation – in the United States, Europe and emerging countries – and their impact on the market segments in which the Group operates, specifically the oil market but also, in connection with our ESS business, the markets for electricity generation and transmission as well as renewable energy storage;
- developments in public procurement, in particular in the defence sector;
- lastly, changes in foreign exchange rates, mainly the US dollar to euro rate.

1.9 OUTLOOK

Given the Group's performance during the first half, we confirm our annual guidance of sales growth over 5% at constant exchange rates and an EBITDA margin of at least 15.8%.

Regarding sales, IBG revenue will return to growth during the second half of 2015, with expected strong growth in sales of stationary batteries, driven by sales of Evolion® lithium-ion batteries to the telecommunications networks market. The transportation markets should see a slowdown in sales growth during the second half of 2015 compared to the first half of the year.

The SBG division should continue to grow its revenues in the second half, but at a slower pace than during the first half of 2015.

With regards to profitability, lithium-ion battery sales growth forecasted for the second half of the year should lead to a considerable reduction in the negative contribution of the Jacksonville and Nersac lithium-ion production units to the EBITDA of the division over the same period.

1.10 FINANCIAL CALENDAR

The Group's indicative financial reporting schedule is as follows:

- third-quarter 2015 revenue: 22 October 2015
- 2015 annual revenue and results: 18 February 2016

2

Condensed interim consolidated financial statements

At 30 June 2015

2.1 CONSOLIDATED INCOME STATEMENT

(in € million)	Note	**Six months ended 30 June 2015**	Six months ended 30 June 2014 restated(1)	Six months ended 30 June 2013 restated(1)
Revenue	4	370.8	330.1	284.9
Cost of sales		(260.0)	(237.2)	(207.2)
Gross profit		**110.8**	**92.9**	**77.7**
Distribution and sales costs		(25.6)	(21.3)	(20.6)
Administrative expenses		(27.0)	(25.0)	(23.9)
Research and Development expenses		(20.0)	(16.7)	(14.0)
Restructuring costs		0.0	(0.5)	(0.2)
Other operating income and expenses		0.1	0.0	5.8
Operating profit		**38.3**	**29.4**	**24.8**
Finance costs, net	*7*	(1.8)	(2.8)	(5.7)
Share of profit/(loss) of associates	*8*	0.8	0.4	0.2
Profit before income tax from continuing operations		**37.3**	**27.0**	**19.3**
Income tax on profit from continuing operations	*9*	(7.2)	(6.2)	(3.9)
Net profit/(loss) from continuing operations		**30.1**	**20.8**	**15.4**
Net profit/(loss) from discontinued operations(2)		0.0	0.0	(5.2)
Net profit for the period		**30.1**	**20.8**	**10.2**
Attributable to owners of the parent company		***30.2***	***20.7***	***10.2***
Attributable to non-controlling interests		***(0.1)***	***0.1***	***0.0***
Earnings per share *(in € per share)*	*10*			
▪ basic		1.12	0.80	0.41
▪ diluted		1.11	0.79	0.41
Earnings of discontinued operations *(in € per share)*				
▪ basic		1.12	0.80	0.61
▪ diluted		1.11	0.79	0.61

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(2) Net profit/(loss) from discontinued operations for the first half of 2013 relate to the "SNB" small nickel batteries activity, sold on 28 June 2013.

2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € million)	**Six months ended 30 June 2015**	Six months ended 30 June 2014 restated(1)	Six months ended 30 June 2013 restated(1)
Net profit for the period	**30.1**	**20.8**	**10.2**
Other comprehensive income			
Actuarial gains and losses recognised against Statement of Comprehensive Income	0.5	0.0	0.0
Tax effect on actuarial gains and losses recognised against Statement of Comprehensive Income	(0.2)	0.0	0.0
Items that will not be reclassified to profit or loss	**0.3**	**0.0**	**0.0**
Fair value gains/(losses) on cash flow hedge	(0.8)	1.6	(1.8)
Fair value gains/(losses) on investment hedge	(10.5)	(1.0)	(1.0)
Currency translation adjustments	23.5	1.0	(0.4)
Tax effect on income/(expenses) recognised directly in equity	3.9	(0.2)	0.9
Items that may be reclassified subsequently to profit or loss	**16.1**	**1.4**	**(2.3)**
Total other comprehensive income for the period, net of tax	**16.4**	**1.4**	**(2.3)**
Total comprehensive income for the period	**46.5**	**22.2**	**7.9**
Attributable to:			
▪ owners of the parent company	46.4	22.0	8.1
▪ non-controlling interests	0.1	0.2	(0.2)

(1) 2014 and 2013 condensed interim consolidated financial statements have been restated to be comparable with 2015 condensed interim consolidated financial statements following the application of IFRIC Interpretation 21 on the recognition date for liabilities for levies, other than income taxes, imposed by public authorities. The impact of the application of IFRIC 21 on the condensed interim consolidated financial statements is presented in note 2 to the condensed interim consolidated financial statements shown below.

2.3 CONSOLIDATED STATEMENT OF CASH FLOWS

(in € million)	**Six months ended 30 June 2015**	Six months ended 30 June 2014 restated (1)	Six months ended 30 June 2013 restated (1)
Net profit for the period from continuing operations	**30.1**	**20.8**	**15.4**
Adjustments			
Share of profit/(loss) of associates (net of dividends received)	0.3	0.7	0.7
Income tax expense from continued operations	7.2	6.2	3.9
Property, plant and equipment and intangible assets amortisation and depreciation	19.3	19.2	19.4
Finance costs, net	1.8	2.8	5.7
Net movements in provisions	(1.8)	(1.5)	(1.4)
Other	2.5	0.4	(3.4)
Net cash generated by operating activities, before changes in working capital, interest and income tax	**59.4**	**48.6**	**40.3**
Change in inventories	(8.0)	(6.1)	(14.5)
Change in trade receivables	6.9	(2.3)	9.9
Change in trade payables	(12.9)	5.9	0.6
Change in other receivables and payables	5.8	(8.7)	2.1
Changes in working capital	**(8.2)**	**(11.2)**	**(1.9)**
Cash flows from operations before interest and tax	**51.1**	**37.4**	**38.4**
Interest paid	(3.8)	(3.5)	(3.7)
Income tax paid	(4.2)	(6.1)	(9.8)
Net cash generated by operating activities	**43.1**	**27.8**	**24.9**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	-	0.2	(8.5)
Purchase of property, plant and equipment	(14.3)	(14.3)	(22.3)
Purchase of intangible assets	(2.0)	(3.1)	(3.6)
Proceeds from sale of property, plant and equipment	0.3	-	-
Variation of other non-current financial assets and liabilities	-	-	(0.2)
Net cash used in investing activities	**(16.0)**	**(17.2)**	**(34.6)**
Cash flows from financing activities			
Capital increase	15.7	2.4	0.1
Purchase/sale of treasury shares – liquidity contract	0.6	0.7	(0.2)
New debt	-	-	-
Debt repayments	-	-	-
Grants related to assets and insurance indemnities	-	-	7.7
Increase/(decrease) in other long-term liabilities	(0.3)	(0.7)	0.1
Dividends paid to Company shareholders	(10.0)	(9.8)	(9.1)
Net cash generated by/(used in) financing activities	**6.0**	**(7.4)**	**(1.4)**
Net cash generated by/(used in) continuing operations	33.1	3.2	(11.1)
Net cash generated by/(used in) discontinued operations(2)	-	-	(8.4)
Net increase/(decrease) in cash	**33.1**	**3.2**	**(19.5)**
Cash and cash equivalents at beginning of period	150.2	101.4	114.5
Impact of changes in exchange rates	7.2	(0.1)	(0.8)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**190.5**	**104.5**	**94.2**

(1) 2014 and 2013 condensed interim consolidated financial statements have been restated to be comparable with 2015 condensed interim consolidated financial statements following the application of IFRIC Interpretation 21 on the recognition date for liabilities for levies, other than income taxes, imposed by public authorities. The impact of the application of IFRIC 21 on the condensed interim consolidated financial statements is presented in note 2 to the condensed interim consolidated financial statements shown below.

(2) Net cash used in discontinued operations for the first half of 2013 relate to the "SNB" small nickel batteries activity, sold on 28 June 2013.

2.4 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(in € million)	Note	30 June 2015	31 December 2014	31 December 2013
Non-current assets				
Intangible assets, net		197.4	199.8	205.9
Goodwill		124.7	117.7	107.8
Property, plant and equipment, net		273.1	260.5	245.1
Investment properties		0.1	0.1	0.1
Investments in joint undertakings	*8*	14.5	14.6	13.8
Deferred income tax assets		9.4	8.5	6.5
Other non-current financial assets		0.3	0.3	0.5
		619.5	**601.5**	**579.7**
Current assets				
Inventories		113.7	101.2	97.1
Tax credits		17.8	24.2	22.5
Trade and other receivables		194.6	194.7	173.0
Derivative financial instruments		1.1	0.4	1.0
Cash and cash equivalents		190.5	150.2	101.4
		517.7	**470.7**	**395.0**
TOTAL ASSETS		**1,137.2**	**1,072.2**	**974.7**

LIABILITIES AND SHAREHOLDERS' EQUITY

(in € million)	Note	30 June 2015	31 December 2014	31 December 2013
Shareholders' equity	*5*			
Ordinary shares		27.7	26.6	25.9
Share premium		131.3	104.3	88.9
Treasury shares		0.1	(0.5)	(1.5)
Cumulative translation adjustments		63.2	39.9	13.7
Fair value and other reserves		(14.8)	(7.7)	5.4
Group consolidated reserves		317.7	309.7	280.9
Non-controlling interests		2.7	2.6	2.2
Total shareholders' equity		**527.9**	**474.9**	**415.5**
Liabilities				
Non-current liabilities				
Debt	*6*	232.8	222.4	208.3
Other non-current financial liabilities		2.6	2.5	3.2
Deferred grants related to assets		55.7	53.7	52.7
Deferred income tax liabilities		66.7	66.6	69.9
Pensions and other long-term employee benefits		15.6	15.0	10.2
Provisions		34.0	33.1	32.4
		407.4	**393.3**	**376.7**
Current liabilities				
Trade and other payables		177.1	181.3	164.4
Taxes payable		10.6	8.4	6.3
Debt	*6*	5.1	5.2	4.7
Derivative instruments		3.1	2.0	0.6
Pensions and other long-term employee benefits		0.5	1.2	1.2
Provisions		5.5	5.9	5.3
		201.9	**204.0**	**182.5**
TOTAL LIABILITIES AND EQUITY		**1,137.2**	**1,072.2**	**974.7**

2.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € million)	Number of shares making up the capital	Attributable to equity holders of the Company Share Capital	Share Premium	Reserves	Profit for the period attributable to equity	Total	Non-controlling interests	Shareholders' equity
Balance at 1 January 2013	**25,174,845**	**25.2**	**78.1**	**257.0**	**31.4**	**391.7**	**2.7**	**394.4**
Appropriation of 2012 comprehensive income	-	-	-	31.4	(31.4)	-	-	-
Employee stock option plans (value of employee services)	-	-	-	1.0	-	1.0	-	1.0
Capital increase by exercise of stock options	95,370	0.1	1.6	-	-	1.7	-	1.7
Dividend paid	-	-	-	(9.0)	-	(9.0)	-	(9.0)
Dividend paid in shares	583,596	0.6	9.2	(9.8)	-	-	-	-
Purchase/sale of treasury shares	-	-	-	0.5	-	0.5	-	0.5
Total comprehensive income	-	-	-	-	27.4	27.4	(0.5)	26.9
Balance at 31 December 2013	**25,853,811**	**25.9**	**88.9**	**271.1**	**27.4**	**413.3**	**2.2**	**415.5**
Appropriation of 2013 comprehensive income	-	-	-	27.4	(27.4)	-	-	-
Employee stock option plans (value of employee services)	-	-	-	0.5	-	0.5	-	0.5
Capital increase by exercise of stock options	127,337	0.1	2.3	-	-	2.4	-	2.4
Dividend paid	-	-	-	(9.8)	-	(9.8)	-	(9.8)
Dividend paid in shares	467,630	0.5	9.9	(10.4)	-	-	-	-
Purchase/sale of treasury shares	-	-	-	0.8	-	0.8	-	0.8
Total comprehensive income[(1)]	-	-	-	-	22.0	22.0	0.2	22.2
Balance at 30 June 2014 restated[(1)]	**26,448,778**	**26.5**	**101.1**	**279.6**	**22.0**	**429.2**	**2.4**	**431.6**
Employee stock option plans (value of employee services)	-	-	-	0.3	-	0.3	-	0.3
Capital increase by exercise of stock options	156,254	0.1	3.2	-	-	3.3	-	3.3
Purchase/sale of treasury shares	-	-	-	0.2	-	0.2	-	0.2
Total comprehensive income	-	-	-	-	39.3	39.3	0.2	39.5
Balance at 31 December 2014	**26,605,032**	**26.6**	**104,3**	**280.1**	**61.3**	**472.3**	**2.6**	**474.9**
Appropriation of 2014 comprehensive income	-	-	-	61.3	(61.3)	-	-	-
Employee stock option plans (value of employee services)	-	-	-	0.2	-	0.2	-	0.2
Capital increase by exercise of stock options	674,726	0.7	15.,0	-	-	15.7	-	15,7
Dividend paid	-	-	-	(10.0)	-	(10.0)	-	(10.0)
Dividend paid in shares	392,244	0.4	11.9	(12.3)	-	-	-	-
Purchase/sale of treasury shares	-	-	-	0.6	-	0.6	-	0.6
Total comprehensive income	-	-	-	-	46,4	46,4	0.1	46.5
BALANCE AT 30 JUNE 2015	**27,672,002**	**27.7**	**131.2**	**319.9**	**46.4**	**525.2**	**2.7**	**527.9**

(1) 2014 condensed interim consolidated financial statements have been restated to be comparable with 2015 condensed interim consolidated financial statements following the application of IFRIC 21 interpretation on the recognition of liabilities for levies imposed by public authorities other than income taxes. The impact on the condensed consolidated interim financial statements of the application of IFRIC 21 is presented in note 2 to the condensed interim consolidated financial statements presented below.

2.6 NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 French Public Limited Company *(société anonyme)* 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 20 July 2015, the Management Board approved and authorised the publication of the condensed interim consolidated financial statements of Saft Groupe SA for the six months ended 30 June 2015.

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 six months ended 30 June 2015 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 financial statements for the year ended 31 December 2014, 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 2014, with the exceptions set out below.

New IFRS standards, interpretations and amendments, as adopted by the European Union for reporting periods beginning on or after 1 January 2015, have been applied by the Company. They have not led to any significant changes in the measurement and presentation of assets, liabilities, income and expenses, with the exception of the application of IFRIC 21 on the recognition date for liabilities for levies, other than income taxes, imposed by public authorities.

The impact of the application of IFRIC 21 on the condensed consolidated interim financial statements is described below:

(in € million)	**Six months ended 30 June 2015**	Six months ended 30 June 2014	Six months ended 30 June 2013
Consolidated income statement:			
▪ Effect on EBITDA, EBIT, operating profit and net profit before income tax on profit from continuing operations	(1.4)	(1.6)	(1.4)
▪ Effect on income tax on profit from continuing operations	0.5	0.6	0.5
▪ Effect on net profit for the period	(0.9)	(1.0)	(0.9)
Consolidated statement of cash flows:			
▪ Effect on change in other receivables and payables	1.4	1.6	1.4

The Company has not opted for the early application of standards and interpretations which are not mandatory in 2015.

2.2 USE OF ASSUMPTIONS AND ESTIMATES

The preparation of the condensed interim consolidated financial statements in conformity with IAS 34 requires the use of estimates and assumptions that affect amounts shown in the financial statements, regarding the measurement of certain assets and liabilities or certain income and expense items, such as depreciation, amortisation and provisions.

These estimates are prepared on a going concern basis using information available at the time of preparation. They may be revised if new information leads to a change in the circumstances on which they were based. Actual results may differ from these estimates.

Revision of an estimate does not constitute correction of an accounting error. The impact of a change in an accounting estimate is recognised in the period of the change, if the change affects that period only, or in the period of the change and subsequent periods, if the change is likely to affect both.

Similar to their use in the preparation of the consolidated financial statements for the financial year ended 31 December 2014, the use of assumptions and estimates in the preparation of the condensed interim consolidated financial statements for the six months ended 30 June 2015 mainly related to the following:

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

With regard to brands, the annual valuation tests rely on the present value of the future royalties that would be paid by a third party wishing to use them on the basis of sales revenue forecasts for each brand. As revenue for the first half of 2015 was consistent with forecasts used to perform sensitivity tests on the value of brands as at 31 December 2014, estimated brand values as at that date were not revised at the time of closing the interim consolidated financial statements:

- the 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;
- certain provisions: provisions for risks, in particular provisions for product warranties and claims, are reviewed by Management at the end of each interim close;
- construction contracts: they are subject to a monthly review as part of the closing of the financial statements for each of the Group business units;
- current and deferred tax expense recorded in the interim financial statements: this expense is calculated by multiplying accounting profit before income tax for the period by the estimated annual average tax rate applicable to each entity or tax group for the current tax year.

2.3 SEASONALITY

Saft's business is generally not seasonal. However, working capital requirements tend to be higher in the first half of the year compared with the second half due to production shutdowns during the summer months.

NOTE 3 SCOPE OF CONSOLIDATION

The Group's consolidation scope, which remained unchanged compared with 31 December 2014, is as follows:

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 Brasil Ltda	Commercial	Brazil	100	Full
Saft (Zhuhai FTZ) Batteries Co. Ltd.	Manufacturing and commercial	China	100	Full
Saft Nife ME Ltd	Commercial	Cyprus	100	Full
Saft Ferak AS	Manufacturing and commercial	Czech Republic	100	Full
Saft SAS	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	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	Holding company and commercial	Hong Kong	100	Full
Amco-Saft India Ltd	Manufacturing and commercial	India	51.04	Full
Tadiran Batteries Ltd	Manufacturing and commercial	Israel	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	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 investmet company	Sweden	100	Full
Saft AB	Manufacturing and commercial	Sweden	100	Full
Saft LLC	Commercial	Russia	100	Full
Saft AB	Holding company	Sweden	100	Full
Saft 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 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. Until 31 May 2013, the IBG division also manufactured 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. This activity has been sold on 28 June 2013;
- the **Specialty Battery Group (SBG)** division, which designs and manufactures high-performance primary lithium and rechargeable lithium-ion batteries for the electronics, space and defence industries. The main applications for these products are satellites, utility meters (water and gas), 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** division, which mainly comprises corporate functions such as IT, research, the development of electrochemical components using lithium-ion technology, central management, finance and administration.

Segment reporting data is based on the same accounting policies as those used for the annual consolidated financial statements, as described in note 2 to the condensed interim consolidated financial statements. 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 division

SIX MONTHS ENDED 30 JUNE 2015

(in € million)	IBG	SBG	Other	Total
Revenue	**220.9**	**149.9**	**-**	**370.8**
EBITDA	**23.7**	**38.3**	**(4.5)**	**57.5**
Amortisation and depreciation of intangible assets	(2.1)	(2.9)	(0.3)	(5.3)
Amortisation of property, plant & equipment	(8.1)	(5.4)	(0.5)	(14.0)
EBIT	**13.5**	**30.0**	**(5.3)**	**38.2**
Restructuring costs	-	-	-	-
Other operating income and expenses	-	-	0.1	0.1
Operating profit	**13.5**	**30.0**	**(5.2)**	**38.3**

SIX MONTHS ENDED 30 JUNE 2014 RESTATED[1]

(in € million)	IBG	SBG	Other	Total
Revenue	**205.5**	**124.6**	**-**	**330.1**
EBITDA	**22.7**	**29.8**	**(3.4)**	**49.1**
Amortisation and depreciation of intangible assets	(2.6)	(3.1)	(0.3)	(6.0)
Amortisation of property, plant & equipment	(8.1)	(4.6)	(0.5)	(13.2)
EBIT	**12.0**	**22.1**	**(4.2)**	**29.9**
Restructuring costs	(1.4)	(0.1)	1.0	(0.5)
Other operating income and expenses	-	-	-	-
Operating profit	**10.6**	**22.0**	**(3.2)**	**29.4**

SIX MONTHS ENDED 30 JUNE 2013 RESTATED[1]

(in € million)	IBG	SBG	Other	Total
Revenue	**159.9**	**125.0**	**-**	**284.9**
EBITDA	**12.2**	**29.1**	**(2.7)**	**38.6**
Amortisation and depreciation of intangible assets	(3.9)	(3.2)	(0.1)	(7.2)
Amortisation of property, plant & equipment	(7.2)	(4.5)	(0.5)	(12.2)
EBIT	**1.1**	**21.4**	**(3.3)**	**19.2**
Restructuring costs	(0.2)	-	-	(0.2)
Other operating income and expenses	-	3.9	1.9	5.8
Operating profit	**0.9**	**25.3**	**(1.4)**	**24.8**

(1) 2014 and 2013 condensed interim consolidated financial statements have been restated to be comparable with 2015 condensed interim consolidated financial statements following the application of IFRIC Interpretation 21 on the recognition date for liabilities for levies, other than income taxes, imposed by public authorities. These restatements impacted only the financial data of the "Other" division. The impact of the application of IFRIC 21 on the condensed interim consolidated financial statements is presented in note 2 to the condensed interim consolidated financial statements shown below.

Investments by division

SIX MONTHS ENDED 30 JUNE 2015

(in € million)	IBG	SBG	Other	Total
Acquisitions of non-current assets	6.0	8.0	0.5	14.5
Capitalisation of development costs	1.1	0.7	-	1.8
TOTAL	**7.1**	**8.7**	**0.5**	**16.3**

FINANCIAL YEAR 2014

(in € million)	IBG	SBG	Other	Total
Acquisitions of subsidiaries	(0.2)	-	-	(0.2)
Acquisitions of non-current assets	16.3	12.3	1.0	29.6
Capitalisation of development costs	2.2	2.3	-	4.5
TOTAL	**18.3**	**14.6**	**1.0**	**33.9**

FINANCIAL YEAR 2013

(in € million)	IBG	SBG	Other	Total
Acquisitions of subisidiaries	8.7	-	-	8.7
Acquisition of non-current assets	28.9	12.4	1.2	42.5
Capitalisation of development costs	4.5	1.3	-	5.8
TOTAL	**42.1**	**13.7**	**1.2**	**57.0**

4.2 INFORMATION BY GEOGRAPHICAL REGION

CONSOLIDATED REVENUE BY GEOGRAPHICAL REGION

Consolidated revenue by geographical region, determined based on the location of invoiced clients, was as follows:

(in € million)	**Six months ended 30 June 2015**	Six months ended 30 June 2014	Six months ended 30 June 2013
Europe	153.0	125.8	121.4
North America	133.5	106.8	99.0
Asia/Oceania	54.9	68.4	44.8
Middle East and Africa	25.3	26.0	16.8
South America	4.1	3.1	2.9
TOTAL	**370.8**	**330.1**	**284.9**

INVESTMENTS BY GEOGRAPHICAL SEGMENT

(in € million)	**Six months ended 30 June 2015**	Six months ended 30 June 2014	Six months ended 30 June 2013
Europe	6.4	8.1	10.8
North America	6.6	8.0	10.7
Asia/Oceania	1.5	0.3	1.1
Middle East and Africa	1.8	1.0	3.3
TOTAL	**16.3**	**17.4**	**25.9**

NOTE 5 SHAREHOLDERS' EQUITY

The consolidated statement of changes in shareholders' equity is presented in section 2.5 of this document as a summary table.

5.1 SHARE CAPITAL

At 30 June 2015, Saft Groupe SA's share capital consisted of 27,672,002 ordinary shares with a par value of €1, following capital increases totalling €15.7 million[(1)] carried out during the first half of 2015 through the issuance of 1,066,970 shares, including 392,244 shares issued for the dividend payment in shares and 674,726 shares issued pursuant to the exercise of stock options by employees.

5.2 DIVIDEND

At the Annual General Meeting of 12 May 2015, Saft Groupe SA's shareholders set the dividend for the 2014 financial year at €0.82 per ordinary share. The General Meeting also approved the option for dividend payment in shares.

The total amount of the cash dividend paid to shareholders on 11 June 2015 thus amounted to €10.0 million compared with a cash dividend payout of €9.8 million in 2014.

NOTE 6 BORROWINGS AND OTHER DEBT

6.1 DEBT ANALYSIS

The Group's gross debt remained unchanged from 31 December 2014 with the exception of the impact of currency fluctuations on the amount in euro of debt denominated in US dollar.

At 30 June 2015, the Group's net debt (net of cash of €190.5 million) totalled €47.4 million. The net debt to EBITDA ratio, calculated according to contractual covenants, stood at 0.36 compared with 0.65 at 31 December 2014 (contractual maximum ratio of 3.0) and the interest coverage ratio was 16.7

(1) Including share premium.

at 30 June 2015, against a ratio of 16.0 at 31 December 2014 (contractual minimum ratio of 4.5).

6.2 INTEREST RATE RISK MANAGEMENT

75% of the euro bank debt bear variable interest rate. The balance is at fixed rate through a swap which locks the interest rate paid by the Group to 0.47% until September 2018.

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

NOTE 7 NET FINANCE COSTS

The Group's net finance costs for the first half of 2015 break down as follows:

(in € million)	**Six months ended 30 June 2015**	Six months ended 30 June 2014	Six months ended 30 June 2013
Financial income from cash and cash equivalents	0.4	0.2	0.3
Cost of gross debt	(4.0)	(3.7)	(3.7)
Cost of net debt	**(3.6)**	**(3.5)**	**(3.4)**
Other financial income and expenses:			
▪ Unwinding of discounts on provisions for pensions and other financial liabilities	(1.3)	(0.8)	(1.4)
▪ Foreign exchange gains/(losses)	3.1	1.5	(0.9)
TOTAL	**(1.8)**	**(2.8)**	**(5.7)**

The composite interest rate on the Group's debt (including the cost of interest rate risk hedging) was 3.26% during the first half of 2015, compared with a rate of 3.28% during the first half of 2014.

NOTE 8 RELATED-PARTY TRANSACTIONS AND INVESTMENTS IN ASSOCIATES

Investments in associates are limited to a 50% interest in ASB, a joint venture with the Airbus group. Accordingly, the amount reported under "Share of profit/(loss) of associates" in the Group's consolidated income statement only relates to Saft's share in the net profit of the ASB group.

The Group does not sell to ASB. Support services provided and invoiced by the Saft Group to the ASB group are non material.

NOTE 9 INCOME TAXES

Current and deferred tax expense on interim net profit is calculated by multiplying the net profit before income tax for each entity or tax group for the period by the estimated annual tax rate for the current fiscal year.

Total income tax expense for the first half of 2015 breaks down as follows:

(in € million)	**Six months ended 30 June 2015**	Six months ended 30 June 2014[1]	Six months ended 30 June 2013[1]
Income tax expense on profit from continuing operations:			
▪ Current income tax revenue/(expense)	(7.7)	(8.2)	(5.5)
▪ Deferred income tax revenue/(expense)	0.5	2.0	1,6
TOTAL INCOME TAX EXPENSE ON PROFIT FROM CONTINUING OPERATIONS	**(7.2)**	**(6.2)**	**(3.9)**

(1) 2014 and 2013 condensed interim consolidated financial statements have been restated to be comparable with 2015 condensed interim consolidated financial statements following the application of IFRIC Interpretation 21 on the recognition date for liabilities for levies, other than income taxes, imposed by public authorities. The impact of the application of IFRIC 21 on the condensed interim consolidated financial statements is presenetd in the above note 2 to the condensed interim consolidated financial statements.

Income tax expense on profit from continuing operations for the first half of 2015 corresponds to an overall tax rate of 19.3%, compared with a restated overall tax rate of 23.0% in the first half of 2014. The reduction in the overall tax rate is mainly due to reversal of unused provisions for tax risks.

NOTE 10 EARNINGS PER SHARE

Earnings per share are calculated on the basis of the actual average number of shares of Saft Groupe SA outstanding during the half-year, excluding treasury shares held on average over the same period. At 30 June 2015, the number of shares used to determine earnings per share was 26,865,561 for basic earnings per share and 27,282,413 for diluted earnings per share.

NOTE 11 POST-BALANCE SHEET EVENTS

No event has occurred since 30 June 2015 which is likely to have a material effect on the Group's financial position at that date.

Statutory Auditors' review report
On the 2015 interim financial information

Period from 1 January to 30 June 2015

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 months period ended 30 June 2015;
- 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.

Without qualifying our opinion, we draw your attention to the matter set out in note 2 to the Condensed Interim Consolidated Financial Statements regarding the impacts resulting from the first application of IFRIC 21 as at 30 June 2015.

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-La Défense, 23 July 2015

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Françoise GARNIER	Juliette DECOUX

Statement by the persons responsible
For the interim report

We certify that, to the best of our knowledge, the condensed interim consolidated financial statements have been prepared in accordance with the relevant accounting standards and provide a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company and of all consolidated companies, and that the interim management report presented on pages 2 to 9 gives a true and fair view of the significant events during the first six months of the fiscal year and their impact on the financial statements, as well as a description of the main risks and uncertainties for the remaining six months of the fiscal year.

Ghislain Lescuyer	Bruno Dathis
Chairman of the Management Board	Member of the Management Board and Chief Financial Officer

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