



Saft doubles its production capacity in China with a new larger advanced technology facility in Zhuhai

- Doubling production capacity of primary lithium cells from 30 million to 60 million per year by Q3 2016.
- €5 million total investment in the new site.
- Saft ranked as number one worldwide in the primary lithium battery market for metering.

Zhuhai, China - March 30th, 2016 – Saft, world leader in the design and manufacture of high-tech batteries for industry, has just inaugurated its brand new advanced technology facility in Zhuhai, China to meet the ever-increasing market demand in Asia.

Commenting on this announcement, Ghislain Lescuyer, Chairman of the Management Board, said: *“The opening of this new facility in Zhuhai represents a new milestone in the implementation of our long-term growth strategy in Asia, and illustrates our success and our ambitions in this region. By offering reliable, high-quality products which meet growing structural needs, notably in key markets like smart meters and rail transport, we are wholly fulfilling our role as solutions provider to leading Chinese groups, to whom we have now become a key partner”*.

Built in 2006, Saft’s first facility in Zhuhai initially produced primary lithium batteries in different sizes for the metering market in China. Since then it has enlarged its business scope to include the assembly of nickel-based battery systems for the booming Chinese rail market. In 2014, the facility passed an important milestone in its history, reaching the 100 millionth primary lithium battery produced for those highly demanding markets. Even with a production capacity of 30 million lithium batteries per year and several capacity extensions, the facility has found it challenging to meet customer demands in recent years. For this reason, moving quickly to a larger factory became a priority.

“Our production capacity did not allow us to fully meet the market demand in 2015. We decided to move to a bigger facility which allowed us to increase our capacity to catch up with the increasing demand.” said Angel Li, Saft’s General Manager in Zhuhai.

Saft has invested €5 million in the new Zhuhai site in order to double production capacity of primary lithium cells from 30 million to 60 million per year (by Q3 2016). Space has been multiplied by a factor of four from 3,000 m² to 12,000 m². The space dedicated to rail batteries has grown five-fold to 2,000 m² and areas have been reserved for future growth into energy storage and electric vehicle markets.

“Customer service will be enhanced, with greater availability and faster delivery” said Angel Li. *“We have already increased capacity of primary lithium cells to 40 million per year. We have a great team, fully skilled and highly dedicated which we can count on to ramp up production to 60 million cells before the end of 2016.”*



About Saft

Saft (Euronext: Saft) is a world leading designer and manufacturer 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 defense batteries with its Li-ion technologies which are also deployed in the energy storage, transportation and telecommunication network markets. More than 4,100 employees in 19 countries, 14 manufacturing sites and an extensive sales network all contribute to accelerating the Group's growth for the future.

Saft batteries. Designed for industry. www.saftbatteries.com

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APPENDIX

Saft Groupe presence in Asia

Local manufacturing and sales offices - a key asset

Key assets for Saft's continued growth in Asia, are the company's Hong Kong, Shanghai, Singapore and more recently Tokyo sales offices and above all its Zhuhai facility. Being close to its customers enables Saft to provide the high level of service and support, as well as the local nickel-based battery system engineering and assembly resources expected by Asian OEMs. For industrial and railway batteries, Saft can also integrate local added value to projects by incorporating locally-made engineering and manufacturing of complete systems. For primary lithium batteries the Saft Groupe has invested €5 million to double the capacity in the new Zhuhai facility by Q3 2016.

A growing presence in Asia

In recent years Saft has been posting strong growth in Asian markets, particularly China, and the company now has a solid presence in railways, aviation, metering, telecoms and energy storage. Saft is also winning significant business from Chinese-based construction firms and OEMs expanding their business throughout the rest of Asia.

Aviation

In Hong Kong, Saft is the dominant battery supplier to some major players in aviation industry such as Cathay Pacific and Dragonair. As a leader on the Chinese aviation market, Saft supplies spare batteries for jetliners through its distributors Satair (Airbus) and Aviall (Boeing). Saft is also preparing the future on the world's largest market for new aircraft. Since 2008, COMAC (Commercial Aircraft Corporation of China) has selected Saft's latest ULM (Ultra Low Maintenance) batteries for the emergency back-up.

Rail

Saft has recently completed a major contract for CNR Changchun railway vehicles to supply on-board battery systems for new trains for the west island line of Hong Kong MTR. The on-board battery systems will provide up to 60 minutes of backup power to support vital safety and control functions including braking, smoke detection, emergency lighting and door opening. This successful delivery along with those in Beijing, Nanjing and Shanghai not only demonstrate Saft's competence of designing battery systems with long life duration, low-maintenance and high reliability, but also witness its continued growth in China's railway sector.

Taking full advantage of the locally based battery system engineering and assembly capabilities at Zhuhai facility, Saft provides battery systems for the leading train manufacturers in China, e.g. CNR Changchun for Beijing Metro's Line 6 and Hong Kong's MTR metro system, and CSR Zhuzhou which has integrated Saft batteries into metro trains for Ankara in Turkey as well as commuter trains for Malaysia.



Smart metering

With €100 million of sales in 2015 of its primary lithium batteries for metering and a market share of about 45%, Saft is ranked as number one in this market worldwide. In 2015 Saft confirmed its leadership position by winning contracts to supply over 45 million primary lithium batteries for smart meter installations in China. These major successes have been achieved thanks to two of Saft's distributors, Royalty and Sonic, for key projects to power electricity, gas, water and heat meters deployed by local utilities.

Smart grids are fast emerging as a vital element in China's developing utility infrastructure and this is driving the growth in demand for smart meters. By the end of 2013, a total of 370 million smart meters had been installed in China, and this figure is expected to hit 500 million in 2016 (Source - RnRMarketResearch.com - The China Smart Meter Industry Report, 2014-2018).