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Saft Groupe SA reports Quarterly Financial Information for the third quarter of 2007

Paris, 9th November 2007 - Saft, leader in the design, development and manufacture of high-end batteries for industry and defence, announces its sales for the third quarter of 2007.

Sales highlights

- Q3 2007 sales up 9.0% to €138.6m, compared with Q3 2006 (at constant exchange rates)
 - IBG +22.4%
 - SBG -3.9%
 - RBS +6.6%
- September YTD 2007 sales up 10.0% to €440.7m, compared with September YTD 2006 (at constant exchange rates)
 - IBG +18.4%
 - SBG +2.1%
 - RBS +8.2%
- Sales guidance maintained. Full year 2007 sales expected to be within the €590m - €600m guidance range (at H1 2007 exchange rates, i.e. €1 = \$1.33).

John Searle, Chairman of the Management Board, commented:

“Saft’s sales in Q3 continued the strong performance seen in H1, resulting in an excellent YTD growth of 10.0% (at constant exchange rates). However, the weakening US\$ caused an adverse currency impact of 3%, resulting in reported YTD sales growth of 7.0%. For the year to date, we estimate that approximately 4-5% of the sales growth was due to pricing, demonstrating our success in passing on the increased nickel costs. Volume growth of approximately 5-6% was above our medium term expectations.”

Taking each segment in turn:

- *IBG again delivered an excellent performance. Volumes continue to grow strongly (approximately 15% in Q3), thanks to ongoing favourable market conditions and an increasing market share in the Telecom segment, particularly with AT&T;*
- *The fall in sales in SBG (compared with Q3 2006) was largely due to a small fire at our site in Poitiers in France, just before the quarter end, which temporarily disrupted sales and production. This is likely to reduce SBG’s full year 2007 sales expectations by approximately € 5m. In addition, although sales to the US Army in Q3 were slightly higher than in 2006, year-on-year sales of military lithium batteries fell due to exceptional sales in Q3 last year to one particular customer;*
- *RBS sales again grew due to pricing. However, volume losses also increased. Sales do not appear to have been lost to competition, but may have been deferred due to 1) the Q3 nickel surcharge being based on the peak Q2 LME nickel price, and 2) limited*

de-stocking from some European Emergency Lighting customers in anticipation of potential weaker demand in their end markets.

Despite the fire, this continued strong sales performance allows me to confirm our full year sales guidance of € 590m - € 600m, assuming constant H1 2007 YTD exchange rates (€ 1 = \$ 1.33).

Our 2007 full year EBITDA¹ guidance range of € 96m - € 98m also remains unchanged, despite the sales reduction in SBG. This continues to assume an average LME nickel cost of \$40k per tonne over 2007 (\$45k/t average in H1 2007 and 70% of IBG's needs for H2 capped at \$35k/t), and constant H1 2007 exchange rates (€ 1 = \$ 1.33).

We have also extended our nickel hedging of IBG's order backlog into H1 2008. This ensures that IBG's purchase price cannot exceed \$35k per tonne on approximately 40% of its nickel purchases for the 7 month period from December 2007 to June 2008, which is broadly in line with IBG's current pricing for new orders.

Lastly, the announcement by Daimler that our Johnson Controls-Saft joint venture has been selected to supply Li-ion batteries for the Mercedes S-Class Hybrid 400 has been well received. This shows that JC-S is well-positioned to win contracts with auto manufacturers who wish to enter the hybrid vehicle market, and who are seeking reliable, high-performance technology."

TURNOVER (€ millions, under IFRS)

Third quarter

Period	Q3 2007	Q3 2006	Growth / decline	
Exchange rate	Actual 2007	Actual 2006	at actual exchange rates	at constant exchange rates
IBG	67.3	56.4	19.3%	22.4%
SBG	51.2	55.5	(7.7%)	(3.9%)
RBS	20.1	19.2	4.7%	6.6%
Total	138.6	131.1	5.7%	9.0%

The average exchange rate in Q3 2007 was €1 to \$1.37 (compared with €1 to \$1.27 in Q3 2006).

There was no change in perimeter between Q3 2006 and Q3 2007.

Q3 2007 sales of € 138.6m were up 5.7% as reported and up 9.0% at constant exchange rates, compared with Q3 2006.

¹EBITDA defined as net income from operations, before depreciation, amortisation, restructuring costs and other income and expenses.

YTD (9 months to September)

Period	Sep YTD 2007	Sep YTD 2006	Growth / decline	
Exchange rate	Actual 2007	Actual 2006	at actual exchange rates	at constant exchange rates
IBG	204.6	177.1	15.5%	18.4%
SBG	172.9	175.4	(1.4%)	2.1%
RBS	63.2	59.5	6.2%	8.2%
Total	440.7	412.0	7.0%	10.0%

The average exchange rate in YTD September 2007 was €1 to \$1.34 (compared with €1 to \$1.24 in YTD September 2006).

There was no change in perimeter between YTD September 2006 and YTD September 2007.

Sales for the 9 months to September 2007 sales of € 440.7m were up 7.0% as reported and up 10.0% at constant exchange rates, compared with the same period in 2006.

Industrial Battery Group

In the third quarter, IBG sales increased by 19.3% as reported to € 67.3m, and by 22.4% at constant exchange rates, compared with Q3 2006.

In the first 9 months of 2007, IBG sales increased by 15.5% as reported to € 204.6m, and by 18.4% at constant exchange rates, compared with the same period in 2006.

IBG again delivered excellent volume growth of c. 15% in Q3. In addition, Saft estimates that nickel-related price increases have accounted for approximately 7% of the sales increase in Q3, and approximately 4-5% of the sales increase for the 9 months to date.

All segments continue to perform well YTD, with particularly strong performances in the third quarter from Industrial Standby and Telecom. The growth in the Telecom segment is a continuation of the market share gains reported previously, where Saft is supplying Ni-Cd batteries, providing back-up power for AT&T's remote terminals in its fixed wireline network. Saft expects the rollout of this programme to continue beyond 2008. However, as previously disclosed, the margins on Telecom projects such as this are lower than in the rest of IBG's businesses, due to the higher volumes.

Specialty Battery Group

In the third quarter, SBG sales decreased by 7.7% as reported to € 51.2m, and by 3.9% at constant exchange rates, compared with Q3 2006.

In the first 9 months of 2007, SBG sales decreased by 1.4% as reported to € 172.9m, but increased by 2.1% at constant exchange rates, compared with the same period in 2006. This year to date growth rate at constant exchange rates rises to 3.0% if the sales of Air Depolarised batteries are excluded from 2006 (€ 1.5m). This small activity was discontinued at the end of 2006 and the business was sold.

SBG's sales in Q3 2007 were affected by a small fire at its plant in Poitiers, France on 20th September. This disrupted production and sales just before the end of the quarter, with the result that Q3 sales were approximately € 2-3m less than had been anticipated. Whilst production and sales at Poitiers are now largely back to normal, the disruption did continue into Q4, with the result that SBG's full year 2007 sales are expected to be approximately € 5m less than had been anticipated. Saft expects that the ultimate losses arising from the fire should be largely covered by insurance.

Even without the fire, SBG's Q3 sales would have been only in line with prior year (at constant rates). This is due to:

- Q3 2006 benefiting from exceptional sales to one particular customer, and
- The timing of milestone deliveries on long term contracts.

Sales to the US Army in Q3 2007 were higher than in Q3 2006, but new orders continue to be delayed as the major 5 year contract has expired and is due to be re-bid before the end of 2007.

The Satellites segment has continued to deliver double-digit growth rates in both Q3 and for the year to date, thanks to ongoing market share gains with new Li-ion technology.

Rechargeable Battery Systems

In the third quarter, RBS sales increased by 6.6% as reported to € 20.1m, and by 4.7% at constant exchange rates, compared with Q3 2006.

In the first 9 months of 2007, RBS sales increased by 6.2% as reported to € 63.2m, and by 8.2% at constant exchange rates, compared with the same period in 2006.

Over the first 9 months, Saft estimates that approximately 18% of this sales increase is due to pricing, offset by approximately 10% volume losses. RBS experienced increased volume losses during Q3, due to the nickel surcharge being based on the peak Q2 LME nickel price, and weak demand from Emergency Lighting customers, de-stocking due to the economic slowdown.

However, in arriving at the group sales guidance for 2007, the assumption was for no sales growth for RBS, on the basis that sales value growth from price increases would be offset by volume losses. To date, this RBS assumption has been exceeded, partly due to a strong performance by the Professional Electronics segment.

Nickel costs

In 2007, the LME cash nickel price per tonne averaged \$41.4k in Q1, \$48.0k in Q2 and \$30.2k in Q3. During this period, IBG was unable to recover this incremental cost as the price increases made did not apply to the existing order backlog. However, the price increase applied to new orders from 1 April 2007 now brings IBG's pricing for Q4 sales, broadly in line with the current nickel cost of \$30k - \$35k per tonne.

Therefore, in order to protect the profitability of the majority of IBG's order backlog, Saft has entered into derivative contracts to ensure that IBG's purchase price cannot exceed \$35k per tonne on:

- Approximately 70% of its nickel purchases for the 4 month period from August to November 2007.

- Approximately 40% of its nickel purchases for the 7 month period from December 2007 to June 2008.

Saft has not yet undertaken any hedging beyond June 2008. RBS will continue to apply the nickel surcharge. Where possible, Saft will continue to follow the strategy of buying forward a proportion of IBG's needs, at costs in line with the pricing inherent in IBG's order backlog.

Johnson Controls-Saft ("JC-S")

In September, Daimler announced that our JC-S joint venture has been selected to supply Li-ion batteries for the Mercedes S-Class Hybrid 400, which will be launched in 2009. This confirms the customer for the production contract which JC-S originally announced in September 2006. JC-S continues to be on schedule for series production in late 2008.

Financial calendar 2008

2007 turnover + Q4 turnover	7 February 2008
2007 Earnings release	13 March 2008
2008 Q1 turnover	6 May 2008
2008 Q2 turnover 2008 Half year turnover	24 July 2008
2008 Half year earnings	28 August 2008
2008 Q3 turnover	6 November 2008

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 specialist in the design and manufacture of high-tech batteries for industry. Saft batteries are used in high performance applications such as industrial infrastructure and processes, transportation, space and defence. Saft is the world's leading manufacturer of nickel-cadmium batteries for industrial applications and of primary lithium batteries for a wide range of end markets. The group is also the European leader for specialised advanced technologies for the defence and space industries. With approximately 3,900 employees worldwide, Saft is present in 17 countries. Its 16 manufacturing sites and extensive sales network enable the group to serve its customers worldwide. **For more information, visit Saft at www.saftbatteries.com**

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