2010 INTERIM FINANCIAL REPORT

SIX MONTHS ENDED JUNE 30, 2010

SAFT

Leader mondial des batteries de haute technologie

Contents

Important legal information and cautionary statements

The Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2010 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.

2010 INTERIM MANAGEMENT REPORT

FIRST HALF YEAR 2010

I. 2010 first half sales and consolidated results highlights

(in € million)	2010	2009	2010/2009 % Change	2008	2009/2008 % Change
Sales	290.0	287.4	(0.4)%	306.4	(6.2)%
Gross profit	89.8	82.6	8.7%	85.6	(3.5)%
Gross profit %	*31.0%*	*28.7%*		*27.9%*	
EBITDA (*)	54.2	51.5	5.2%	54.8	(6.0)%
EBITDA margin %	*18.7%*	*17.9%*		*17.9%*	
EBIT (**)	38.8	35.7	8.7%	40.6	(12.1)%
EBIT margin %	*13.4%*	*12.4%*		*13.3%*	
Profit before income tax	27.6	27.4	0.7%	27.9	(1.8)%
Net income	22.8	21.6	5.6%	22.5	(4.0)%
EPS (€ per share) (***)	0.92	1.03	(10.7)%	1.08	(4.6)%

Percentages changes are at actual exchange rates except for sales which are at constant exchange rates.

(*) EBITDA is defined as net income from operations, before depreciation, amortisation, restructuring costs and other operating income and expenses.

(**) EBIT is defined as net income from operations, before restructuring costs and other operating income and expenses.

(***) 2009 and 2008 EPS have been restated to factor in the capital increase with maintained preferential subcription rights carried out in December 2009. 2009 and 2008 EPS before restatement were respectively €1,14 and €1.20.

Group first-half sales for 2010 amounted to €290.0 million, up by 0.9% as compared to the first half of 2009 at current exchange rates and down by 0.4% at constant exchange rates.

After sales for Q1 2010 of €135.6 million, which had fallen by 6.0% compared with 2009 at constant exchange rates, sales of €154.4 million were recorded for Q2 2010, a 5.1% increase compared to those for Q2 2009, at constant exchange rates.

The Group increased its profitability with EBITDA margin representing 18.7% of sales, as compared to EBITDA margin of 17.9% in H1 2009. Excluding the costs related to the construction of the new Li-ion production facility in Jacksonville, EBITDA margin for H1 2010 amounted to 18.9% of sales. This better than expected Group performance is due to an improvement of two hundred and thirty basis points in the gross margin to 31% of sales. This increase is the result of cost reduction plans undertaken in 2009, synergies from the merger between the RBS and IBG divisions and includes a decrease in taxes, part of the Territorial Economic Contribution replacing French Business Tax now being recorded on the income tax line in accordance with IAS 12.

As a result of the improvement in operating profit, net income for the first half year increased by more than 5% at €22.8 millions. Earnings per share amounts to €0.92 at June 30, 2010 as compared with an adjusted earnings per share of € 1.03 at June 30, 2009.

II. Results by division

Second quarter sales by division (unaudited)

(in € million)	2nd quarter 2010	2nd quarter 2009	Variations in % At actual exchange rates	Variations in % At constant exchange rates
IBG	83.6	82.8	1.0%	(2.1)%
SBG	70.8	59.0	20.0%	15.1%
Total	**154.4**	**141.8**	**8.9%**	**5.1%**

Half-year results by division

	6 months ended 30 June 2010				6 months ended 30 June 2009		
Product line	Sales €M	Sales growth at constant exchange rates	EBITDA €M	EBITDA margin %	Sales €M	EBITDA €M	EBITDA Margin %
IBG	160.7	(2.0)%	27.0	16.8%	162.4	26.9	16.6%
SBG	129.3	1.7%	29.6	22.9%	125.0	27.4	21.9%
Other	0		(2.4)	n.a	0	(2.8)	n.a
Total	**290.0**	**(0.4)%**	**54.2**	**18.7%**	**287.4**	**51.5**	**17.9%**

A) Industrial Battery Group (IBG)

At €160.7 million, the division's sales decreased by 2.0% during the first half of 2010 at constant exchange rates. On a reported basis, first half sales are down 1% compared with H1 2009.

After a reduction of 1.9% in the first quarter, sales during the second quarter of 2010 are down by 2.1% at constant exchange rates, as compared to the second quarter of 2009.

The significant growth recorded in the telecommunication networks market during the first quarter of 2010 continued in the second quarter. In the transportation segment, the recovery observed during the first quarter of 2010 in the aviation market accelerated during the second quarter.

Sales in the other traditional activities of the IBG division continued to decline over the second quarter. In the industrial standby backup power segment, even though sales for the second quarter have decreased compared to those for the second quarter of 2009, they have nevertheless stabilised compared to Q1 2010 and we anticipate that sales in this segment will pick up again during the second half of the year.

A limited decrease was registered in the rail market during the second quarter. We do not however anticipate any significant recovery in this activity during H2 2010.

Finally, markets for small nickel batteries (former RBS activities) continued to grow sharply during the second quarter of 2010, with growth both in emergency lighting and in the professional electronics markets.

Geographically, activity has grown in the United States and emerging countries but has slowed down in Europe.

The division's EBITDA increased slightly to 16.8% of sales, compared with a rate of 16.6% during Q1 2009. Excluding the net costs of €0.6 million incurred with respect to construction of the Jacksonville production facilities, the division's EBITDA margin for the first half amounts to 17.2% of sales, i.e. €27.6 million. The cost cutting plans put in place by the division in 2009 and the merger with the RBS division selling small nickel batteries enabled it to post strong growth in its gross margin over the first half of the year, while continuing with its investments in development as well as its marketing efforts, particularly in the area of renewable energy storage.

B) Specialty Battery Group (SBG)

SBG division sales over the first six months, amounting to €129.3 million, increased by 1.7% at constant exchange rates as compared to H1 2009 and by 3.4% on a reported basis.

Sales rose by 15.1% during the second quarter at constant exchange rates, in contrast with the decrease of 10.9% registered during the first quarter.

This good performance is primarily the result of very strong growth during the second quarter in civil electronics markets and in particular the utility meters and smart metering system markets, both in the US and Europe. It is also due to slight growth in military activities over the second quarter, after a strong downturn during the first quarter.

The civil electronics markets are set to continue their growth over the second half of the year and the space activity, which had reduced sales during the second quarter of 2010, should register better performance in H2. Finally, in accordance with our forecast at the beginning of the financial year, no growth is expected overall in military markets during the 2010 financial year.

The division's EBITDA margin for the first half year has increased substantially at 22.9% of sales compared to an EBITDA margin of 21.9% during H1 2009. This growth is mainly due to cost control in a context of relative stability of selling prices.

C) Other

Expenses that are not allocated to the operating divisions, which mainly comprise the costs of the central functions such as IT, research, finance and administration and central management have led to an operating loss of €(2.7) million for this "Other" cost centre in H1 2010, as compared with a loss of €(3.0) million for the same period in 2009.

D) Johnson Controls–Saft Advanced Power Solutions LLC

During the first six months of the year, the company began deliveries to BMW, from its production facility in Nersac in France, of the batteries for the new Series 7 hybrid that has been on sale since the end of this half-year period.

From a business standpoint, a new contract with Bergstrom Inc. was publicly announced during the first half of the year. Intended for the development of a Li-ion battery for commercial vehicle systems that functions when the engine is not running, this new contract enables Johnson Controls-Saft to address a new specific market of several million commercial vehicles in North America.

Furthermore, it should be noted that the sale by Ford of its Transit Connect all-electric utility vehicle, initially scheduled in the United States, is to be extended to Europe and this should have a significant impact on production volumes.

Finally, a new contract has been signed with Azure Dynamics to provide batteries for a Plug In Hybrid (PHEV) delivery vehicle to be brought to market in 2012.

From an industrial standpoint, the construction of the production unit in Holland, Michigan is going according to the initial schedule and the battery assembly activity should start during H2 2010 in order to deliver the first batteries designed to equip Azure's hybrid electric delivery vehicle (HEV), to be sold from the end of 2010.

Saft's share in the joint venture's losses for H1 2010 totalled €(6.9) million as opposed to a share in losses of €(4.8) million during H1 2009. The joint venture's total net loss for H1 2010 amounted to $18.7 million, in line with forecasts. This loss includes the costs of managing the project for the new Holland-Michigan production facility for an amount of $1.7 million.

Funding of $46.2 million was requested by the joint venture for H1 2010, with Saft's contribution amounting to $22.6 million (€17.0 million).

Additional cash contributions for H2 2010 are estimated at around $56 million, with Saft's share being approximately $27.5 million.

III. Other items of consolidated income

Restructuring costs

Restructuring costs were registered for €0.4 million during H1 2010 and mainly concern certain assembly activities.

Other operating income and expenses

Other operating income and expenses amounted to €1.9 million for H1 2010. This net income primarily corresponds to an insurance payment received in respect of a past insurance claim.

Operating profit

After restructuring costs and other operating income and expenses, the Group's operating profit amounts to €40.3 million for H1 2010 as against €37.2 million a year ago. Excluding the costs incurred in connection with construction of the new Li-ion production facility in Jacksonville, operating income amounts to €40.9 million, i.e. 14.1% of sales as compared with 12.9% in H1 2009.

Net financial loss

A net financial loss of €6.5 million has been posted for H1 2010 as opposed to a €5.6 million loss for the first half of 2009. This increase results from a higher cost of bank debt refinanced in July 2009. The composite interest rate of the Group's bank debt, after taking into account the impact of interest rate hedging transactions, stood at 4.05% for H1 2010 as opposed to 2.99% for H1 2009.

Profit before income tax

Profit before income tax amounts to €27.6 million for H1 2010, a slight increase compared with the equivalent period in 2009. Besides finance costs, it includes the Group's share in the income or losses of the joint ventures in which the Group is involved.

The Group's share in Johnson Controls-Saft's losses thus amounted to €(6.9) million in H1 2010 as compared to €(4.8) million for H1 2009. Its share in the net income of the ASB group amounts to €0.7 million for H1 2010 (as against €0.6 million in 2009).

Income tax

Income tax expense for H1 2010 amounted to €4.8 million to be compared with €5.8 million for H1 2009. The overall tax rate thus stands at 17.4% during the first half of the year as against a rate of 20.3% for the 2009 financial year. The tax expense for H1 2010 includes current tax income of €1.0 million corresponding to the profit in respect of the 2009 financial year, from the extension of the tax consolidation regime in France to include Saft Groupe S.A.

Net income

Net income for H1 2010 thus totals €22.8 million, showing a 5.6% increase compared to 2009.

Earnings per share amounts to € 0.92 at June 30, 2010, compared with an adjusted EPS of €1.03 at June 30, 2009. Excluding adjustment made to factor in the December 2009 capital increase, earnings per share at June 20, 2009 was €1.14.

IV. Main cash flows over the period

Cash flows from operating activities

Net cash flows from operating activities amounted to €42.5 million over the period, up by €1.8 million as compared with H1 2009. This change is primarily due to an improvement in profitability of operations whilst working capital remained under control and stable.

Cash flows from investing activities

Cash flows from investing activities amounted to €42.9 million as compared to €31.4 million in H1 2009.

Industrial capital expenditure amounted to €24.4 million during H1 2010, €14.6 million (i.e. $19.4 million) of which related to the construction of the Jacksonville production facility.

Investments in intangible assets which are mainly composed of capitalised development costs amounted to €2.9 million as compared to €2.2 million during H1 2009.

Finally, as explained above, financing of the Johnson Controls-Saft joint venture amounted to €17 million ($22.6 million) during H1 2010.

Cash flows from financing activities

The only significant cash flows from financing activities for the first half of 2010 related to the receipt from the U.S. Department of Energy of its 50% share in financing the costs incurred with regard to construction of the Jacksonville production facilities, i.e. €7.7 million ($10.2 million).

Free Cash Flow

Free cash flow (prior to investment in the Johnson Controls-Saft joint venture) generated by the Group during the first half year of 2010 was maintained at a high level. It amounted to €24.3 million (net of €7.7 million grants received from the US Department of Energy on the Jacksonville project) by comparison with free cash flow of €20.9 million during H1 2009.

V. Consolidated balance sheet

The group's balance sheet at June 30, 2010 shows the following:

- an increase of €47 million in non-current assets, firstly as a result of the investments in construction of the new Li-ion production facility in Jacksonville and secondly on the back of the investments made in the Johnson Controls-Saft joint venture during the first half of the year,
- an increase in current assets and liabilities reflecting the recovery in activity as compared to the end of the 2009 financial year,
- maintenance of an excellent cash position at €225 million,
- an increase of €14 million in equity bringing it to €321 million, which does not take into account the €9.3 million increase in capital that took place at the beginning of July in respect of the payment of dividend in shares,
- a €28 million increase in the Group's financial debt as a result of a stronger US dollar against the euro.

VI. Other significant events during the first half of 2010

Annual shareholders' meeting and dividend

At the annual shareholders' meeting on June 9, 2010, Saft Groupe S.A.'s shareholders set the dividend for FY 2009 at €0.68 per ordinary share, with the possibility of opting for payment of a stock dividend. In the light of the terms and conditions adopted, the issue price for the shares was set at €22.64 per share. The period for exercising this option ended on June 30, 2009. Shareholders representing 55.75% of the capital chose to opt for payment of a stock dividend. The capital increase that ensued at the beginning of July 2010 is described in Note 5 to the Condensed Interim Consolidated Financial Statements.

In addition, the shareholders renewed authorizations 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

The construction of the new Li-ion production facility in Jacksonville is going ahead at the expected pace with start-up of production being scheduled for the second half of 2011.

Secondly, the Group has decided to increase its presence on the South American continent by creating its own sales structure in Brazil. This entity will be operational before the end of 2010. This should make it possible to speed up the development of our activities, particularly in the industrial standby backup power and telecommunications networks market segments, and lastly in the rail segment.

Finally, the Board of Directors of Amco-Saft approved the project for the construction of a new production unit in India and the company is in the process of purchasing land in the region of Bangalore where the current production unit is located.

VII. Related-party transactions

The nature of the Group's related-party transactions remains unchanged as compared to the situation described in note 28 of the 2009 consolidated financial statements, as presented on page 151 of the 2009 Reference Document registered with the French financial markets authority (Autorité des Marchés Financiers) on February 24, 2010 under number R10-010.

The Group's share in the H1 2010 income or losses of the ASB and Johnson-Controls Saft joint ventures, which it controls jointly, is presented in note 8 to the Condensed Interim Consolidated Financial Statements.

VIII. Risks and uncertainties with regard to the second half of 2010

Saft considers that the main risks to which the Group is exposed are the same as those described on pages 68 to 77 of the 2009 Reference Document.

The main uncertainties for H2 2010 concern:

- trends in the global economic situation, particularly in Europe, and its impact on the market segments on which the Group is present,
- trends with regard to public procurement contracts,
- finally, the changes in exchange rates and particularly that of the euro as compared to the US dollar.

IX. Outlook

In the light of the Group's performances for the last six months, sales guidance for FY 2010 remains unchanged with an increase of between 0 and 5% at constant exchange rates.

On the other hand, the Group is currently anticipating an increase in its EBITDA margin as compared to 2009 and expects to have an EBITDA margin at least equal to 18.5% of annual sales for 2010, before the impact of costs related to construction of the Jacksonville production facilitiy re-estimated at $ 2 to 3 million .

(in € million)	FY 2009	H1 2010	FY 2010	FY 2010
		Actual	Initial Estimate (**)	Revised Estimate (***)
Sales	559.3	290.0	0 to +5%	0 to +5%
EBITDA margin % (*)	*18.1%*	*18.9%*	*≥ 18.0%*	*≥ 18.5%*
Average €/$ exchange rate	*1.39*	*1.33*	*1.39*	1.33

(*) Excluding costs related to the construction project of Jacksonville Lithium-Ion factory.
(**) Excluding impact of the costs related to the Jacksonville project estimated at $5 to 6 million.
(***) Excluding impact of the costs related to the Jacksonville project re-estimated at $2 to 3 million.

Revised guidance for 2010 assumes sensitivity of sales and EBITDA to exchange rates is unchanged, namely:

- a 10% change in the $/€ exchange rate results in a 4% change in sales,
- a 10% change in the $/€ dollar exchange rate results in a 6% change in EBITDA.

X. Tentative schedule for the Group's financial communication

As an indication, the Group's financial communication schedule should be as follows:

- Revenues for Q3 2010: November 3, 2010
- Annual sales and results for 2010: February 17, 2011

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2010

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I. Consolidated balance sheet

Assets

(in € million)	Note	As of June 30, 2010	As of December 31, 2009	As of December 31, 2008
Non-current assets				
Intangible assets, net		225.4	228.2	236.0
Goodwill		117.0	104.8	107.3
Property, plant and equipment, net		134.2	109.9	112.6
Investment properties		0.1	0.2	0.2
Investments in joint undertakings		42.7	30.0	19.5
Deferred income tax assets		10.2	10.1	13.3
Other non current financial assets		1.0	0.9	1.3
		530.6	**484.1**	**490.2**
Current assets				
Inventories		77.8	63.1	79.2
Trade and other receivables		151.4	141.1	153.8
Derivative financial instruments		0.8	2.2	0.1
Cash and cash equivalents		225.3	207.4	68.8
		455.3	**413.8**	**301.9**
Total assets		**985.9**	**897.9**	**792.1**

Liabilities and equity

(in € million)	Note	As of June 30, 2010	As of December 31, 2009	As of December 31, 2008
Shareholders' equity				
Ordinary shares		24.7	24.7	18.5
Share premium		92.6	92.5	(27.7)
Treasury shares		(1.0)	(0.3)	(1.0)
Cumulative translation adjustments		40.1	11.8	7.6
Fair value and other reserves		(8.0)	12.8	9.1
Group consolidated reserves		170.9	164.3	146.7
Minority interest in equity		1.3	1.0	0.6
Total shareholders' equity	**5**	**320.6**	**306.8**	**153.8**
Liabilities				
Non-current liabilities				
Debt		342.8	312.7	324.3
Other non-current financial liabilities		8.5	8.1	5.5
Deferred grants related to assets	6	8.3	0.0	0.0
Deferred income tax liabilities		67.6	69.0	66.8
Pensions and other retirement benefits		9.0	8.5	9.5
Provisions for other liabilities and charges		36.1	33.3	38.5
		472.3	**431.6**	**444.6**
Current liabilities				
Trade and other payables		172.8	136.4	152.9
Taxes payable		1.8	5.3	2.3
Debt and other current financial liabilities		3.0	3.2	25.6
Derivative instruments		3.4	2.1	5.6
Pensions and other retirement benefits		0.7	1.0	0.2
Provisions for other liabilities and charges		11.3	11.5	7.1
		193.0	**159.5**	**193.7**
Total liabilities and equity		**985.9**	**897.9**	**792.1**

II. Consolidated income statement

(in € million)	Note	Period ended June 30, 2010	Period ended June 30, 2009	Period ended June 30, 2008
Revenues		290.0	287.4	306.4
Cost of sales		(200.2)	(204.8)	(220.8)
Gross profit		**89.8**	**82.6**	**85.6**
Distribution and sales costs		(18.2)	(17.1)	(15.9)
Administrative expenses		(21.7)	(21.4)	(21.7)
Research and development expenses		(11.1)	(8.4)	(7.4)
Restructuring costs		(0.4)	(0.5)	0.0
Other operating income and expenses		1.9	2.0	0.1
Operating profit		**40.3**	**37.2**	**40.7**
Finance costs-net	7	(6.5)	(5.6)	(8.3)
Share of profit/(loss) of associates	8	(6.2)	(4.2)	(4.5)
Profit before income tax		**27.6**	**27.4**	**27.9**
Income tax expense	9	(4.8)	(5.8)	(5.4)
Profit for the period		**22.8**	**21.6**	**22.5**
Equity holders of the company		*22.8*	*21.4*	*22.5*
Minority interest		*0.0*	*0.2*	*0.0*
Basic earnings per share (in € per share)	**10**	**0.92**	**1.14**	**1.20**
Diluted earnings per share (in € per share)	**10**	**0.92**	**1.14**	**1.20**

III. Consolidated statement of comprehensive income

(in € million)	Note	Period ended June 30, 2010	Period ended June 30, 2009	Period ended June 30, 2008
Profit for the period		**22.8**	**21.6**	**22.5**
Other comprehensive income				
Fair value gains/(losses) on cash flow hedge		(2.1)	3.0	(0.7)
Fair value gains/(losses), net on investment hedge		(29.0)	0.2	4.5
Actuarial gains and losses on defined-benefit pensions plans		0.0	0.9	0.0
Currency translation adjustments		28.5	(0.2)	(4.9)
Tax effect on income/(expenses) recognised directly in equity		10.4	(1.1)	(1.0)
Total other comprehensive income for the period, net of tax		**7.8**	**2.8**	**(2.1)**
Total comprehensive income for the period		**30.6**	**24.4**	**20.4**
Attributable to:				
Equity holders of the company		30.3	24.2	20.4
Minority interest		0.3	0.2	0.0

IV. Consolidated statement of cash flows

(in € million)	Period ended June 30, 2010	Period ended June 30, 2009	Period ended June 30, 2008
Net profit for the period	**22.8**	**21.6**	**22.5**
Adjustment :			
Earning of equity basis companies (net of dividends)	6.2	4.7	5,0
Income tax expense	4.8	5.8	5.4
Depreciation of property. plant and equipment and amortisation of intangible assets	15.4	15.8	14.2
Finance costs-net	6.5	5.6	8.3
Net movements in provisions	(1.2)	(1.6)	(4.7)
Other	(0.9)	1.4	0.1
	53.6	**53.3**	**50.8**
Change in inventories	(9.1)	6.9	(8.1)
Change in trade and other receivables	(4.5)	7.6	3.0
Change in trade and other payables	13.0	(18.6)	(1.2)
Changes in working capital	**(0.6)**	**(4.1)**	**(6.3)**
Cash flows generated from operations before interest and tax	**53.0**	**49.2**	**44.5**
Interest paid	(6.8)	(8.5)	(11.9)
Income tax paid	(3.7)	0	(2.0)
Net cash provided by operating activities	**42.5**	**40.7**	**30.6**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	(17.0)	(21.8)	(3.8)
Purchase of property, plant and equipment	(24.4)	(7.7)	(10.9)
Purchase of intangible assets	(2.9)	(2.2)	(3.0)
Proceeds from sale of property, plant and equipment	1.5	0.2	1.2
Variation of other non-current financial assets and liabilities	(0.1)	0.1	0.3
Net cash used in investing activities	**(42.9)**	**(31.4)**	**(16.2)**
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	0.1	0	0.0
Purchase/Sale of treasury shares and liquidity contract	(0.7)	0	0.0
Debt repayments	0	(10.2)	0.0
Grants related to assets	7.7	0	0.0
Increase/(decrease) in other long-term liabilities	0	0	0.4
Dividends paid to company shareholders	0	0	0.0
Net cash generated by/(used) in financing activities	**7.1**	**(10.2)**	**0.4**
Net increase/(decrease) in cash	**6.7**	**(0.9)**	**14.8**
Cash and cash equivalents at beginning of period	207.4	68.8	42.3
Exchange gain/(loss) on cash and cash equivalents	11.2	1.3	(0.6)
Cash and cash equivalents at end of period	**225.3**	**69.2**	**56.5**

V. Consolidated statement of changes in equity

(in € million)	Number of shares making up the capital	Attributable to equity holders of the company			Minority interest	Shareholders' equity
		Share Capital	Share Premium	Consolidated reserves and retained earnings		
Balance at 01/01/2008	**18,514,086**	**18.5**	**(15.1)**	**122.7**	**0.8**	**126.9**
Employee stock option schemes (value of employee services)		0	0	1.7	0	1.7
Dividend paid		0	(12.6)	0	0	(12.6)
Purchase/Sale of treasury shares		0	0	(0.3)	0	(0.3)
Total comprehensive income		0	0	38.3	(0.2)	38.1
Balance at 31/12/2008	**18,514,086**	**18.5**	**(27.7)**	**162.4**	**0.6**	**153.8**
Employee stock option schemes (value of employee services)		0	0	0.8	0	0.8
Dividend to be paid		0	0	(12.6)	0	(12.6)
Purchase/Sale of treasury shares		0	0	0	0	0
Total comprehensive income		0	0	24.2	0.2	24.4
Balance at 30/06/2009	**18,514,086**	**18.5**	**(27.7)**	**174.8**	**0.8**	**166.4**
Employee stock option schemes (value of employee services)		0	0	0.8	0	0.8
Capital increase with maintenance of preferential subscription rights	5,696,328	6.0	114.4	(5.5)	0	114.9
Capital increase by exercise of stock options	231,864	0.2	5.8	0	0	6.0
Dividend paid in shares	241,815	0	0	5.6	0	5.6
Purchase/Sale of treasury shares		0	0	0.8	0	0.8
Total comprehensive income		0	0	12.1	0.2	12.3
Balance at 31/12/2009	**24,684,093**	**24.7**	**92.5**	**188.6**	**1.0**	**306.8**
Employee stock option schemes (value of employee services)		0	0	0.6	0	0.6
Capital increase by exercise of stock options	4,450	0	0.1	0	0	0.1
Dividend to be paid		0	0	(16.8)	0	(16.8)
Purchase/Sale of treasury shares		0	0	(0.7)	0	(0.7)
Total comprehensive income		0	0	30.3	0.3	30.6
Balance at June 30, 2010	**24,688,543**	**24.7**	**92.6**	**202.0**	**1.3**	**320.6**

VI. Notes to the Condensed Interim Consolidated Financial Statements

Note 1. Information about the company and the group

Saft Groupe SA (the "Company", and collectively with its consolidated subsidiaries, the "Group" or "Saft") was formed on March 23, 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 June 29, 2005.

On July 23, 2010, the Management Board approved and authorised publication of the Condensed Interim Consolidated Financial Statements of Saft Groupe SA at June 30, 2010.

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

Note 2. Accounting policies

Basis of preparation of the Consolidated Financial Statements

These Condensed Interim Consolidated Financial Statements for the half year ended June 30, 2010 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 December 31, 2009, 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 December 31, 2009 with the exceptions set out below.

New IFRS standards, interpretations and amendments, as adopted by the EU for periods beginning from January 1, 2010 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 2010.

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 June 30, 2010, 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 December 31, 2009:

- 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 June 30, 2010 are all higher than those taken into consideration in the scope of the sensitivity tests of the value in use of the CGUs carried out at December 31, 2009, 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 2010 were consistent with that used to perform impairment tests on brands by the end of 2009 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.

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.

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 June 30, 2010 is unchanged compared with December 31, 2009 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 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 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	Holding and 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	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 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
Johnson Controls-Saft Advanced Power Solutions LLC (and its subsidiaries)	Development, production and sale of batteries for hybrid and electric vehicles	United States	49	EA

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

a) Information by business segment

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

- The Industrial Battery Group (IBG), 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. 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 Johnson Controls-Saft (JCS) division, which is specialised in the development, production and sale of advanced technology batteries for hybrid and electric vehicles.
- 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 division

As at 30/06/2010

(in € million)	IBG	SBG	JC-S	Other	Total
Total segment sales	202.0	168.3	0.0	0.0	370.3
Intra-segment sales	(41.3)	(39.0)	0.0	0.0	(80.3)
Consolidated revenues	**160.7**	**129.3**	**0.0**	**0.0**	**290.0**
EBITDA	27.0	29.6	0.0	(2.4)	54.2
Amortisation of intangible assets	(3.3)	(4.1)	0.0	0.0	(7.4)
Depreciation of property, plant & equipment	(4.1)	(3.6)	0.0	(0.3)	(8.0)
Impairment of Intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	19.6	21.9	0.0	(2.7)	38.8
Restructuring costs	(0.4)	0.0	0.0	0.0	(0.4)
Other operating income/expenses	1.9	0.0	0.0	0.0	1.9
Operating profit	**21.1**	**21.9**	**0.0**	**(2.7)**	**40.3**
Share of profit/(loss) of associates	0.0	0.7	(6.9)	0.0	(6.2)

As at 30/06/2009

(in € million)	IBG	SBG	JC-S	Other	Total
Total segment sales	196.4	162.4	0.0	0.0	358.8
Intra-segment sales	(34.0)	(37.4)	0.0	0.0	(71.4)
Consolidated revenues	**162.4**	**125.0**	**0.0**	**0.0**	**287.4**
EBITDA	26.9	27.4	0.0	(2.8)	51.5
Amortisation of intangible assets	(2.6)	(3.3)	0.0	0.0	(5.9)
Depreciation of property, plant & equipment	(5.0)	(4.4)	0.0	(0.2)	(9.6)
Impairment of Intangible assets	0.0	(0.3)	0.0	0.0	(0.3)
EBIT	19.3	19.4	0.0	(3.0)	35.7
Restructuring costs	(0.3)	(0.2)	0.0	0.0	(0.5)
Other operating income/expenses	0.0	2.0	0.0	0.0	2.0
Operating profit	**19.0**	**21.2**	**0.0**	**(3.0)**	**37.2**
Share of profit / (loss) of associates	0.0	0.6	(4.8)	0.0	(4.2)

As at 30/06/2008

(in € million)	IBG	SBG	JC-S	Other	Total
Total segment sales	240.1	154.2	0.0	0.0	394.3
Intra-segment sales	(51.3)	(36.6)	0.0	0.0	(87.9)
Consolidated revenues	**188.8**	**117.6**	**0.0**	**0.0**	**306.4**
EBITDA	31.0	25.4	0.0	(1.6)	54.8
Amortisation of intangible assets	(2.6)	(3.3)	0.0	0.0	(5.9)
Depreciation of property, plant & equipment	(4.5)	(3.7)	0.0	(0.1)	(8.3)
Impairment of Intangible assets	-	-	-	-	-
EBIT	23.9	18.4	0.0	(1.7)	40.6
Restructuring costs	(0.1)	0.1	0.0	0.0	0.0
Other operating income/expenses	(0.3)	0.4	0.0	0.0	0.1
Operating profit	**23.5**	**18.9**	**0.0**	**(1.7)**	**40.7**
Share of profit/(loss) of associates	0.0	0.6	(5.1)	0.0	(4.5)

Balance sheet by division

As at 30/06/2010

(in € million)	IBG	SBG	JC-S	Other	Total
Total segment assets	266.1	278.5	30.1	243.7	818.4
Total of non-allocated assets					167.5
Total assets					**985.9**
Total segment liabilities	(99.1)	(69.5)	0.0	(51.6)	(220.2)
Total non-allocated liabilities					(445.1)
Total liabilities					**(665.3)**

As at 31/12/2009

(in € million)	IBG	SBG	JC-S	Other	Total
Total segment assets	235.0	256.1	18.2	211.7	721.0
Total of non-allocated assets					176.9
Total assets					**897.9**
Total segment liabilities	(85.0)	(58.9)	0.0	(37.4)	(181.3)
Total non-allocated liabilities					(409.8)
Total liabilities					**(591.1)**

As at 31/12/2008

(in € million)	IBG	SBG	JC-S	Other	Total
Total segment assets	259.5	285.0	8.5	175.6	728.6
Total of non-allocated assets					63.5
Total assets					**792.1**
Total segment liabilities	(83.7)	(62.3)	0.0	(52.4)	(198.4)
Total non-allocated liabilities					(439.9)
Total liabilities					**(638.3)**

Investments by division

As at 30/06/2010

(in € million)	IBG	SBG	JC-S	Other	Total
Acquisitions of property, plant and equipment	20.8	3.9	0.0	0.2	24.9
Capitalisation of development costs	1.8	0.6	0.0	0.0	2.4
Total	**22.6**	**4.5**	**0.0**	**0.2**	**27.3**

As at 31/12/2009

(in € million)	IBG	SBG	JC-S	Other	Total
Acquisitions of property, plant and equipment	10.2	6.4	0.0	1.0	17.6
Capitalisation of development costs	2.3	1.6	0.0	0.0	3.9
Total	**12.5**	**8.0**	**0.0**	**1.0**	**21.5**

As at 31/12/2008

(in € million)	IBG	SBG	JC-S	Other	Total
Acquisitions of property, plant and equipment	12.8	9.5	0.0	0.5	22.8
Capitalisation of development costs	2.8	2.8	0.0	0.0	5.6
Total	**15.6**	**12.3**	**0.0**	**0.5**	**28.4**

b) Information by geographical segment

Consolidated sales by geographical segment

Consolidated sales, allocated on the basis of the geographical location of customers, are as follows:

(in € million)	Period ended June 30, 2010	Period ended June 30, 2009	Period ended June 30, 2008
Europe	140.1	148.1	160.6
North America	93.6	88.1	96.2
Asia/Oceania	33.3	33.0	29.6
Middle East and Africa	20.7	16.9	18.6
South America	2.3	1.2	1.4
Other	0.0	0.1	0.0
Total	**290.0**	**287.4**	**306.4**

Assets by geographical segment

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

(in € million)	As of June 30, 2010	As of December 31, 2009	As of December 31, 2008
Europe	668.5	649.6	531.1
North America	259.6	199.3	211.7
Asia/Oceania	23.5	23.1	21.9
Middle East and Africa	34.3	25.9	27.4
South America	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	**985.9**	**897.9**	**792.1**

Acquisitions of property, plant and equipment, intangible assets and capitalisation of development costs

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)	Period ended June 30, 2010	Period ended June 30, 2009	Period ended June 30, 2008
Europe	9.1	6.8	7.3
North America	16.9	1.8	5.3
Asia/Oceania	0.1	0.1	0.1
Middle East and Africa	1.2	1.2	1.2
South America	0.0	0.0	0.0
Other	0.0	0.0	0.0
Total	**27.3**	**9.9**	**13.9**

Note 5. Shareholders’ equity

The consolidated statement of changes in shareholders’ equity is presented at the beginning of these statements as a summary table.

Share capital

As of June 30, 2010, Saft Groupe SA’s share capital was made up of 24,688,543 ordinary shares with a par value of €1. A capital increase was carried out during H1 2010 following the exercise of stock options, a transaction that led to the creation of 4,450 new shares.

Dividend

At the annual shareholders’ meeting of Saft Groupe S.A. on June 9, 2010, the shareholders set the dividend for the 2009 financial year at €0.68 per ordinary share, with the possibility of opting for payment of a stock dividend on the basis of an issue price of €22.64 per share.

The period for exercising this option ended on June 30, 2010. Shareholders representing nearly 55.75% of the capital chose to opt for payment of a stock dividend.

Thus, 410,647 new ordinary shares were issued and delivered on July 9, 2010, representing a dilution rate of 1.7%.

Saft Groupe S.A.’s share capital is raised, effective as from July 9, 2010 from €24,688,543 to €25,099,190 divided into 25,099,190 shares with a par value of €1, all of the same class and all paid up in full.

The total amount of the cash dividend paid to shareholders on July 9, 2010 thus amounted to €7.5 million compared with a dividend payout of €7.0 million in 2009.

Note 6. Public subsidies

The Group is currently carrying out the construction of a new Li-ion battery production facility in Jacksonville, Florida, in the USA.

This project, costing a total amount of approximately $200 million over the period 2010-2012 (including both capital expenditure and operating expenses relating to project management), has been selected to receive, within the framework of the provisions of the Federal American Recovery and Reinvestment Act (ARRA), a Federal public grant awarded by the US Department of Energy in the form of a cost-sharing programme for 50% that may amount to up to $95.5 million. Receipt of this grant will be spread over time according to the progress of the project. It covers capital expenditure and some of the project management costs.

This project is also receiving additional funding from the State of Florida and the City of Jacksonville for an amount of up to $20.8 million.

Furthermore, the Saft Group receives, primarily in France, tax credits related to research. Such tax credits are being treated as grants from an accounting standpoint.

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 June 30, 2010, the amount of the public grants received with regard to the industrial project in Jacksonville totals €7.7 million ($10.2 million).

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.

Most of the grants from the State of Florida and the City of Jacksonville are grants related to results. Spread over several financial periods (of up to 10 years), this aid will mainly lead to a reduction in operating expenses for the Jacksonville production facilities in future years. In consideration of these grants, the Company will have to comply with a certain number of commitments primarily related to job creation and a minimum level of average salaries.

Public grants related to results recorded in H1 2010 in respect of the Jacksonville project amounted to €1.1 million ($1.5 million).

Note 7. Net finance costs

The Group's net finance costs for H1 2010 break down as follows:

(in € million)	Period ended June 30, 2010	Period ended June 30, 2009	Period ended June 30, 2008
Financial income from cash and cash equivalents	0.3	0.4	0.7
Finance costs on gross debt	(7.8)	(4.6)	(7.8)
Other financial income and expenses:	1.0	(1.4)	(1.2)
- Unwinding of discounts on provisions for pensions and other financial liabilities	*(1.0)*	*(1.3)*	*(1.3)*
- Fair value measurement of financial instruments	*(0.6)*	*0.1*	*1.4*
- Foreign exchange gains/(losses)	*2.6*	*(0.2)*	*(1.3)*
	(6.5)	**(5.6)**	**(8.3)**

The composite interest rate on bank debt (including the cost of interest rate hedges) was 4.05% during the first half of 2010, compared to a rate of 2.99% in H1 2009 and 4.60% in H1 2008.

By currency, the average rates break down as follows:

- 2.79% on euro debt, compared with 2.15% in H1 2009;
- 5.09% on US dollar debt, compared with an average rate of 3.51% in H1 2009. With regard to this currency, the existing interest rate hedges during the first half of the year did not enable the Group to benefit from the decrease in base interest rates.

In light of net foreign exchange gains of €2.6 million, other financial income and expenses for H1 2010 showed net income of €1.0 million as compared with a net financial expense of €1.4 million a year ago.

Note 8. Related-party transactions and investments in joint undertakings

Related-party transactions

The sales generated by the Group with the Johnson Controls-Saft joint venture, of which it holds a 49% stake in capital, were as follows during the first half of the last three financial years:

	Period ended June 30, 2010	Period ended June 30, 2009	Period ended June 30, 2008
Sales (in € million)	5.7	3.7	4.4

Investments in joint undertakings

The Group's share of the half-year income of ASB and Johnson Controls-Saft is as follows:

	Period ended June 30, 2010		Period ended June 30, 2009		Period ended June 30, 2008	
(in € million)	**JC-S**	**ASB**	**JC-S**	**ASB**	**JC-S**	**ASB**
Sales	9.3	6.8	5.5	6.3	4.3	6.3
Cost of sales	(10.7)	(4.6)	(6.3)	(4.1)	(4.4)	(4.0)
R&D costs (Engineering)	(2.1)	0.0	(1.2)	0.0	(3.7)	0.0
Other operating expenses	(3.5)	(1.3)	(2.6)	(1.3)	(1.3)	(1.1)
Operating income (loss)	(7.0)	0.9	(4.7)	0.9	(5.0)	1.2
Net income (loss) for the year	**(6.9)**	**0.7**	**(4.8)**	**0.6**	**(5.1)**	**0.6**

Note 9. Taxes

a) Breakdown of income tax expense

The income tax charge for H1 2010 breaks down as follows:

(in € million)	Period ended June 30, 2010	Period ended June 30, 2009	Period ended June 30, 2008
Current income tax revenue/(expense)	(3.3)	(3.0)	(4.4)
Net deferred tax revenue/(expense)	(1.5)	(2.8)	(1.0)
Total Income tax revenue/(expense) recognised in income statement	**(4.8)**	**(5.8)**	**(5.4)**

The overall tax rate amounts to 17.4% for the first half as compared to a rate of 20.3% for the 2009 financial year.

The income tax expense for H1 2010 includes non-recurring tax income of €1.0 million corresponding to the profit for the 2009 financial year generated from the extension of the tax consolidation regime in France to include Saft Groupe S.A.

In addition, following the reform of French Business Tax introduced in France on December 31, 2009 creating the Territorial Economic Contribution (Contribution Economique Territoriale or "CET"), the Group records the component of the CET based on added value (and referred to as the Contribution on Value Added (*Cotisation Sur la Valeur Ajoutée des Entreprises or "CVAE"*), which is considered as an income tax in light of IAS 12, on the "Income tax" line. This tax amounted to €1.0 million for the first half of 2010.

b) Tax proof

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies due to the following factors:

(in € million)	Period ended June 30, 2010	Period ended June 30, 2009
Net Income before tax	**27.6**	**27.4**
Notional tax charge (based on the french tax rate)	(9.4)	(9.4)
Impact of differences in tax rates between France and other countries	3.0	1.1
Permanent differences (including Research Tax Credit)	1.5	1.3
Effect of changes in tax rates	0.3	0.4
Use of prior years losses for which no deferred tax asset was recognised	0.5	0.9
Tax loss of the current period on which no deferred tax asset has been recognised	(0.8)	(0.1)
Income tax revenue/(expense) recognised in income statement	**(4.8)**	**(5.8)**
Effective tax rate	17.4%	21.3%

Note 10. 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.

	As of June 30, 2010	As of June 30, 2009	As of June 30, 2008
Weighted average outstanding number of Saft Groupe SA ordinary shares	24,716,605	18,755,901	18,755,901
Less average number of treasury shares held	(57,200)	(52,323)	(35,164)
Number of shares used to compute basic earnings per share	**24,659,405**	**18,703,578**	**18,720,737**
Effect of potential dilutive ordinary shares: unexercised stock options	237,560	-	-
Number of shares used to compute diluted earnings per share	**24,896,965**	**18,703,578**	**18,720,737**

Note 11. Post-balance sheet events

No event that has occurred since the balance sheet date is likely to have a material impact on the Group's financial position.

STATUTORY AUDITORS' REVIEW REPORT ON THE 2010 INTERIM FINANCIAL INFORMATION

(Period from January 1 to June 30, 2010)

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 June 30, 2010;
- 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, July 26, 2010

The Statutory Auditors

PricewaterhouseCoopers Audit	Moorestephens SYC SYC SA
Bruno Tesnière	Serge Yablonsky

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 "Réglement Général" of the "Autorité des Marchés Financiers".

John Searle	Bruno Dathis
Chairman of the Management Board	Member of the Management Board and Chief Financial Officer

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