

**PRESS RELEASE****Milan, December 15, 2016*****SAES Group enters the field of new generation flexible displays technologies***

SAES Group (“SAES”) announces that today it has started a transaction aiming at the industrialization, production and distribution of materials used in flexible organic transistors (OTFTs: Organic Thin-Film Field Transistors).

The new devices related to the transaction – that will be developed by a newco, the share capital of which will be owned by SAES and by the investors of Polyera (a company based in the USA and Taiwan, active in the field of flexible thin film transistors for new generation displays, which is already a partner of SAES in the development of organic electronics applications) – will enable the manufacturing of truly flexible displays, with an enormous application potential in different sectors.

The development of these materials is based on the competences in organic chemistry and material sciences already present at SAES since 2008, gained with the development of its technological platform in the functional polymers for the organic electronics and advanced packaging industries, in combination with the expertise of Polyera in organic thin-film transistors which the company has developed since 2005. The first products will address the market of electrophoretic displays (EPDs), often indicated as e-paper¹, which, at present, are mainly used in e-books. The flexible display market is not limited to the mere substitution of current displays, but it opens a broad range of new applications, mainly still unexplored, in the field of “printed electronics”, such as wearable devices, active signage, fully flexible OLEDs and OLETs, etc., addressing important emerging markets.

The binding partnership agreement among the parties provides for the establishment of a newco, called **Flexterra, Inc.**, based in Skokie (close to Chicago, Illinois, USA), that will also fully control a company that is being established in Taiwan for the production of advanced materials and the support of customers (mainly based in Asia).

According to the agreement, Flexterra will be capitalized by Polyera and SAES – through its subsidiary SAES Getters International Luxembourg S.A.

Polyera will transfer to Flexterra tangible and intangible assets (including IPs and know-how), presently owned by itself, for an estimated value of \$14 million and, against this contribution in kind, it will receive Series A shares of Flexterra, privileged, among other things, in the distribution of profits and in case of the sale of Flexterra.

SAES will provide Flexterra with contributions in cash and in kind, in different phases. Against each contribution, SAES will receive in turn Series A privileged shares of Flexterra.

The first phase, to be executed in two tranches by the end of December 2016, provides for a total capital contribution of \$8.5 million.

SAES will transfer a further contribution of \$4.5 million in capital – in addition to tangible and intangible assets (IPs) with an estimated value of around \$3 million – in a second phase, to be finalized upon the achievement of technical and commercial objectives as set out in the agreement (namely, the signature of a binding agreement for the commercialization of Flexterra products) no later than March 31, 2018.

The execution of the transaction is subject to suspending conditions, upon the occurring of the following events, mainly related to the commitment of SAES in granting the capitalization of Flexterra as indicated above:

¹ The so-called ‘electronic ink’ reproduces the appearance of the real ink on a normal paper.

- a) the first contribution of SAES (cash of \$3 million and a financial credit of SAES towards Polyera, equal to \$1 million) is subject to the consent of two major Asian venture capital funds (“Funds”) to invest in Flexterra through a cash contribution;
- b) the second contribution of SAES (cash of \$4.5 million) is subject to the signature of transaction agreements and payment receipt from Polyera stakeholders;
- c) the third contribution of SAES (cash of \$4.5 million and contribution of industrial assets) is subject to the achievement of the key objective of Flexterra, as provided for in the agreement between SAES and the other shareholders of Flexterra (“milestone”) within March 31, 2018.

Standing the above-mentioned conditions, the contributions of SAES to Flexterra are subject to the following termination clauses:

- i) lack of signature of the transaction agreements between Polyera and its stakeholders, as indicated in the above specified point b);
- ii) lack of capital contribution in cash to Flexterra from the major Polyera shareholders.

In case of occurrence of the termination clauses as indicated in point i) and/or ii) above, Flexterra shall reimburse SAES of the contributions received until that date.

On the basis of the current evaluation, the contribution of SAES with the two tranches representing the first phase of this investment is equivalent to an equity participation representing around 34% of the share capital of Flexterra; such participation is expected to increase up to around 45% with the third contribution of SAES, subsequent to the achievement of the key-objective (“milestone”).

Once its own contributions are finalized, Polyera will grant the shareholding rights in Flexterra to its investors.

These investors will also contribute in cash, with an amount that will be exactly defined in the next three months and that will be between a guaranteed minimum amount of \$4.5 million, up to a maximum amount of \$6 million. In addition, it is provided that Flexterra will issue shares reserved to possible new investors.

The Board of Directors of the new company will be composed of five members, two of which, including the Chief Executive Officer, appointed by SAES.

The transaction does not include any put & call options.

The agreements provide for the usual clauses regulating a possible future offering of Flexterra shares on a regulated official market or through a multilateral trading facility. The parties agreed to evaluate such option in a future perspective, without any specific binding commitment.

SAES Group

A pioneer in the development of getter technology, the SAES® Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions or ultra-pure gases are required. In more than 70 years of activity, the Group's getter solutions have been supporting innovation in the information display and lamp industries, in sophisticated high vacuum systems and in vacuum thermal insulation, in technologies spanning from large vacuum power tubes to miniaturized silicon-based microelectronic and micromechanical devices. The Group also holds a leading position in ultra-pure gas refinement for the semiconductor and other high-tech markets.

Starting in 2004, by leveraging the core competencies in special metallurgy and in the materials science, the SAES Group has expanded its business into the advanced material markets, in particular the market of shape memory alloys, a family of materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. These special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the realization of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector).

More recently, SAES has expanded its business by developing components whose getter functions, traditionally obtained from the exploitation of the special features of some metals, are instead generated by chemical processes. Thanks to these new developments, SAES is evolving, adding to its competencies in the field of special metallurgy also those of organic chemicals.

A total production capacity distributed in twelve facilities, a worldwide-based sale & service network and more than 1,000 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise.

SAES Group is headquartered in the Milan area (Italy).

SAES Getters S.p.A. is listed on the Italian Stock Exchange Market, STAR segment, since 1986.

More information on the SAES Group are available in the website www.saesgetters.com.

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