



SAES GETTERS S.p.A.

Capital Stock Euro 12,220,000 fully paid-in
Address of Principal Executive Offices:
Viale Italia, 77 – 20020 Lainate (Milan), Italy
Registered with the Milan Court Companies Register no. 00774910152

Report on Operations – 1st Quarter 2007

Quarterly consolidated net sales were €40.6 million compared with €42.8 million in the year-ago period, reflecting a decrease by 5.2% (+2% net of exchange rate effect). Consolidated sales decreased by 6.8% on a comparable consolidation basis, including the effect of the acquisition of the 50% shareholding in Dr.-Ing. Mertmann Memory-Metalle GmbH in May 2006 and 51% in the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. in August 2006.

Consolidated operating income was equal to €14.4 million compared with €13.2 million in the first quarter 2006.

Consolidated net income was €9.4 million compared with €7.4 million in the year-ago period. Net income per ordinary share and savings share was €0.4172 in the first quarter 2007 against €0.3318 in the year-ago period.

Quarterly results, achieved despite the fact sales were not particularly brilliant, also because of a non favorable trend of currencies, were satisfactory.

According to Group's expectations, sales of components for liquid crystal displays were negatively affected by adjustments of inventories in the market. Furthermore, it is to be pointed out the strong drop in the cathode ray tubes market, higher than expectations.

Today the Board of Directors resolved the incorporation of SAES Opto S.r.l., a company that will operate in the field of marketing of synthetic crystals for industrial and research applications, components and systems for the laser market and optoelectronics in general.

In the coming weeks a new company will be incorporated under the name of SAES Opto Components S.r.l.; 52% of the capital will be underwritten by SAES Opto S.r.l. and the

remaining 48% by Mr. Claudio Sedazzari, Mr. Andrea Bnà and Mr. Andrea Vismara, shareholders of Opto Engineering S.r.l., a company located in Mantova, Italy, operating in optics for industrial imaging. SAES Opto Components will operate in the field of research, development, production and marketing of components and systems for the industrial laser market.

The new incorporated companies operating in optoelectronics will allow strengthening the program of development and diversification in the field of advanced materials, besides offering opportunities of external growth.

CONSOLIDATED FINANCIAL STATEMENTS

SAES Getters S.p.A. and Subsidiaries - Consolidated Income Statement

Thousands of euro

Three months ended March 31	2007	2006
Total net sales	40,550	42,754
Cost of sales	(14,264)	(17,370)
Gross profit	26,286	25,384
R&D expenses	(3,908)	(3,705)
Selling expenses	(2,986)	(4,064)
G&A expenses	(5,765)	(4,422)
Total operating expenses	(12,659)	(12,191)
Other income (expenses), net	784	(38)
Operating income	14,411	13,155
Interest and other financial income, net	526	398
Foreign exchange gains (losses), net	449	(459)
Income before taxes	15,386	13,094
Income taxes	(6,032)	(5,655)
Net income	9,354	7,439

SAES Getters S.p.A. and Subsidiaries - Consolidated Income Statement per Business Unit

Thousands of euro

	Total		Information Displays		Industrial Applications		Advanced Materials & Corporate Costs	
	1 st qr. 2007	1 st qr. 2006	1 st qr. 2007	1 st qr. 2006	1 st qr. 2007	1 st qr. 2006	1 st qr. 2007	1 st qr. 2006
Total net sales	40,550	42,754	25,576	26,766	14,191	15,560	783	428
Cost of sales	(14,264)	(17,370)	(6,898)	(7,945)	(6,604)	(9,144)	(762)	(281)
Gross profit (loss)	26,286	25,384	18,678	18,821	7,587	6,416	21	147
Operating expenses and other income/(expenses)	(11,875)	(12,229)	(5,427)	(4,835)	(3,296)	(4,294)	(3,152)	(3,100)
Operating income (loss)	14,411	13,155	13,251	13,986	4,291	2,122	(3,131)	(2,953)

SAES Getters S.p.A. and Subsidiaries - Consolidated Income per Share
Euro

	2007 1 st qr.	2006 1 st qr.
Net income per ordinary share	0.4172	0.3318
Net income per savings share	0.4172	0.3318

SAES Getters S.p.A. and Subsidiaries – Consolidated Balance Sheet
Thousands of euro

	Mar 31, 2007	Dec 31, 2006
Property, plant and equipment, net	61,200	61,303
Intangible assets, net	7,036	4,674
Other non current assets	9,035	13,852
Current assets	167,925	153,744
Total Assets	245,196	233,573
Shareholders' equity	177,169	169,055
Non current liabilities	23,025	22,831
Current liabilities	45,002	41,687
Total Liabilities and Shareholders' Equity	245,196	233,573

SAES Getters S.p.A. and Subsidiaries - Consolidated Net Financial Position
Thousands of euro

	Mar 31, 2007	Dec 31, 2006
Cash on hand	24	29
Cash equivalents	104,513	93,851
Cash and cash equivalents	104,537	93,879
Current financial assets	460	388
Bank overdraft	196	67
Current portion of long term debt	848	839
Other current financial liabilities	0	0
Current financial liabilities	1,044	906
Current net financial position	103,953	93,361
Long term debt, net of current portion	3,047	2,989
Non current financial liabilities	3,047	2,989
Net financial position	100,906	90,372

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting Principles, Methods and Structure of the Group

The Quarterly Report has been prepared applying the international accounting standards (IFRS) and in accordance with Article 82 of the “Regulations for the implementation of the

Legislative Decree No. 58 of February 24, 1998 on the activities of issuers of securities” (Consob Resolution No. 11971 of May 14, 1999, as amended).

Pursuant to the above mentioned Article 82, the Quarterly Report has been prepared applying for evaluations the international accounting standards (IFRS) according to the content stated by Exhibit 3D of the same Regulations. Therefore the Quarterly Report as of December 31, 2006 has not been prepared according to the accounting standard concerning disclosure in interim reports (IAS 34 “Interim financial reporting”).

The Quarterly Report is consistent with the accounting principles that govern the preparation of annual and consolidated financial statements, insofar as they are applicable, except for the following:

- jointly controlled entities: they have been included into the scope of consolidation according to the proportionate consolidation method from the current period, instead of the evaluation of the investments in share capital with the equity method;
- treatment of derivative financial instruments to hedge against changes in cash flows arising from highly probable future transactions that may produce effects on the income statement: for such financial instruments, if requirements set out by IAS 39 were met, hedge accounting, according to the cash flow hedge model, was applied, while starting from the current period they are evaluated at fair value with impact on the income statement of the period.

Evaluation procedures adopted in the Quarterly Report are substantially similar to those usually applied to prepare annual and consolidated financial statements.

No changes in the consolidation area occurred during the quarter.

To be noticed that quarterly reports are unaudited.

Net Sales by Business Area and by Geographic Location of Customer

SAES Getters S.p.A. and Subsidiaries - Consolidated Net Sales per Business Area
Thousands of euro (except %)

Business Area	2007 1 st qr.	2006 1 st qr.	Total difference (%)	Price-qty effect (%)	Exchange rate effect (%)
Flat Panel Displays	20,628	18,497	11.5%	19.6%	-8.1%
Cathode Ray Tubes	4,948	8,269	-40.2%	-34.1%	-6.1%
Subtotal Information Displays	25,576	26,766	-4.4%	3.4%	-7.8%
Lamps	3,049	3,328	-8.4%	-4.8%	-3.6%
Electronic Devices	3,693	3,238	14.1%	19.1%	-5.0%
Vacuum Systems and Thermal Insulation	1,721	2,051	-16.1%	-10.9%	-5.2%
Semiconductors	5,728	6,943	-17.5%	-8.3%	-9.2%
Subtotal Industrial Applications	14,191	15,560	-8.8%	-2.4%	-6.4%
Subtotal Advanced Materials	783	428	82.9%	85.5%	-2.6%
Total Net Sales	40,550	42,754	-5.2%	2.0%	-7.2%

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Information Displays Business Unit	
Cathode Ray Tubes	Barium getters for cathode ray tubes
Flat Panel Displays	Getters and metal dispensers for flat panel displays
Industrial Applications Business Unit	
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Electronic Devices	Getters and metal dispensers for electron vacuum devices
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems and products for thermal insulation
Semiconductors	Gas purifier systems for semiconductor industry and other industries
Advanced Materials Business Development Unit	
Advanced Materials	Getters for microelectronic and micromechanical systems, optical crystals and shape memory alloys

SAES Getters S.p.A. and Subsidiaries - Consolidated Net Sales by Geographic Location of Customer
Thousands of euro

	2007 1 st qr.	2006 1 st qr.
Italy	276	238
Other EU and European countries	4,825	4,907
North America	5,323	4,089
Japan	8,952	10,123
South Korea	7,905	8,817
Ret of Asia	12,813	13,544
Rest of the World	456	1,036
Total Net Sales	40,550	42,754

Quarterly **consolidated net sales** were €40.6 million compared with €42.8 million in the year-ago period, reflecting a decrease by 5.2% (+2% net of exchange rate effect). Consolidated sales decreased by 6.8% on a comparable consolidation basis, including the effect of the acquisition of the 50% shareholding in Dr.-Ing. Mertmann Memory-Metalle GmbH in May 2006 and 51% in the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. in August 2006.

Information Displays Business Unit

Consolidated revenues of the Information Displays Business Unit were €25.6 million in the first quarter 2007, compared with €26.8 million in the same period one year-ago, representing a decrease by 4.4% (+3.4% net of exchange rate effect).

In particular, revenues of the Flat Panel Displays Business Area were €20.6 million with respect to €18.5 million in the first quarter 2006, reflecting an increase by 11.5%. The rise net of the exchange rate effect, equal to 19.6%, was due to a stronger demand of

mercury dispensers for cold cathode fluorescent lamps used as back-lighting of liquid crystal displays. The exchange rate effect was negative by 8.1%.

Net sales of the Cathode Ray Tubes Business Area decreased by 40.2% to €4.9 million from €8.3 million in the first quarter 2006. Revenues net of the exchange rate effect dropped by 34.1% because of the reduction in the cathode ray tubes market. The exchange rate effect was negative by 6.1%.

Gross profit for the Information Displays Business Unit was equal to €18.7 million in the first quarter of 2007, basically stable against €18.8 million in the same period of 2006.

Operating income for the Information Displays Business Unit was equal to €13.3 million in the first quarter of 2007 compared with €14 million in the corresponding quarter of 2006.

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit were equal to €14.2 million in the first quarter of 2007 from €15.6 million in the same period one year-ago, reflecting a decrease by 8.8% (-2.4% net of exchange rate effect).

Revenues of the Lamps Business Area were €3 million with respect to €3.3 million in the first quarter 2006, representing a decrease by 8.4%. The drop was due to lower sales of getters for discharge lamps (-4.8%) and the negative exchange rate effect (-3.6%).

Revenues from the Electronic Devices Business Area rose by 14.1% to €3.7 million from €3.2 million in the first quarter 2006. The growth was mainly due to higher sales of getters for infrared detectors (+19.1%), partially offset by the negative exchange rate effect (-5%).

Net sales of the Vacuum Systems and Thermal Insulation Business Area were equal to €1.7 million in the first quarter 2007 with respect to €2.1 million in the same period of the previous year (-16.1%). It is to be noted that first quarter 2006 included sales of a special order of getter pumps and getter products for particle accelerators. The exchange rate effect was negative by 5.2%.

Net sales of the Semiconductors Business Area were equal to €5.7 million compared with €6.9 million in the first quarter 2006, reflecting a decrease by 17.5%. It is to be recalled that first quarter 2006 included sales of a special order of large gas purifiers. The exchange rate effect was negative by 9.2%.

Gross profit for the Industrial Applications Business Unit was €7.6 million in the first quarter of 2007 compared with €6.4 million in the same period of 2006.

Operating income for the Industrial Applications Business Unit increased to €4.3 million in the first quarter of 2007 from €2.1 million in the corresponding quarter of 2006.

Advanced Materials Business Development Unit & Corporate Costs

Consolidated revenues of the Advanced Materials Business Development Unit were €0.8 million in the first quarter 2007*, thanks to sales of getter films for MEMS applications, crystals for laser applications and shape memory alloys. Sales were €0.4 million in the first quarter 2006.

Operating corporate costs and operating costs for the Advanced Materials Business Development Unit in the first quarter 2007 were €3.2 million, basically stable compared with €3.1 million in the year-ago period.

Consolidated gross profit was equal to €26.3 million in the first quarter 2007, compared with €25.4 million in the same quarter of 2006. Consolidated gross profit in terms of sales grew to 64.8% compared with 59.4% in the first quarter 2006.

Total operating expenses were €12.7 million against €12.2 million in the first quarter 2006.

Consolidated EBITDA (operating income + depreciation and amortization + write down of property, plant and equipment) was €17.2 million in the first quarter 2007 compared with €16.3 million in the same quarter of 2006. Consolidated EBITDA in terms of sales was 42.3% compared with 38.1% in the first quarter 2006.

Consolidated operating income grew to €14.4 million in the three months ended March 31, 2007 from €13.2 million in the year-ago period, mainly thanks to a better sales mix. The R.O.S. (Return on Sales) ratio was equal to 35.5% in the first quarter 2007 compared with 30.8% in the same period of 2006.

Income taxes were €6 million in the three months ended March 31, 2007, compared with €5.7 million in the three months ended March 31, 2006. As a percentage of income before taxes, income taxes were 39.2% in the first quarter of 2007, compared with 43.2% in the first quarter of 2006. The decrease was mainly due to the different contribution of the economic results from the Group Companies.

Consolidated net income was €9.4 million in the first quarter 2007 compared with €7.4 million in the correspondent quarter of 2006.

Net income per ordinary share and savings share was €0.4172 in the first quarter 2007 against €0.3318 in the year-ago period.

The Group's **net financial position** increased to €100.9 million as of March 31, 2007, from €90.4 million as of December 31, 2006. Cash flows provided by operating activities were equal to €12.7 million. Purchase of property, plant and equipment was equal to €2.3 million.

Business performance outlook

On May 10, 2007 SAES Opto Materials S.r.l., 90% held by SAES Getters S.p.A., acquired the going concern related to the production, manufacturing and marketing of crystals for industrial and research laser applications, besides components related to laser sources, from Scientific Materials Europe S.r.l. (“Scimex”). The purchase price of the going concern was equal to €2.2 million, cash.

On the same day SAES Getters S.p.A. transferred the 30% shareholding in Scimex at a price equal to €0.2 million (cash), exiting from the company, which will continue to operate in the field of ophthalmic activities and research.

The Company expects the Information Display market to grow in the first part of 2007 less than in the past and a higher fluctuation in the demand trend, due to a greater seasonality and continuous stock adjustments, typical of home televisions that represent the segment with higher growth rate.

Other industrial markets in which the Group operates should confirm stability or slight growth.

The Group’s economic results for the period will continue to be influenced by the exchange rates of the euro against the major currencies. The Group put in place (as of March 31, 2007) hedging contracts in respect of the US dollar and the Japanese yen, connected to already existing and future receivables, related to sales denominated in US dollars and Japanese yen to hedge against fluctuations in exchange rates existing at the balance sheet date. For the contracts on the US dollar, the notional value is \$40 million, the average spot exchange rate is 1.3035 against the euro. These contracts cover the whole 2007 and the first quarter 2008.

For the contracts on the Japanese yen, the notional value is Japanese yen 2.645 million, the average spot exchange rate is 151.66 against the euro. These contracts cover the whole 2007 and the first quarter 2008.

Lainate, Milan - Italy, May 14, 2007

On behalf of the Board of Directors
The President
Ing. Paolo della Porta