



SAES GETTERS S.p.A.

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

Report on Operations – 3rd Quarter 2006

Quarterly consolidated net sales were €38.2 million compared with €34.6 million in the year-ago period, reflecting an increase by 10.3%. The rise on a comparable consolidation basis was equal to 9.4% including the effect of the sale of the subsidiary FST Consulting International, Inc. in July 2005 and the acquisition of the 35% shareholding in SAES Getters (Nanjing) Co. Ltd. (previously called Nanjing SAES Huadong Getters Co. Ltd.) in January 2006.

Consolidated operating income was equal to €14.8 million compared with €10.7 million in the third quarter 2005.

Consolidated net income was €8.4 million compared with €7 million in the year-ago period. Net income per ordinary share and savings share was €0.3739 in the third quarter 2006 compared with €0.3125 in the year-ago period.

Quarterly results were excellent despite the fact sales of components for liquid crystal displays grew lower than expectations because of adjustments of inventories in the market. An excellent trend was achieved also in traditional business in the field of industrial applications.

2006 results forecast are confirmed as previously disclosed, despite some restructuring costs will be charged in the fourth quarter with reference to manufacturing activities.

CONSOLIDATED FINANCIAL STATEMENTS**SAES Getters S.p.A. and Subsidiaries - Consolidated Income Statement**

Thousands of euro

Three months ended September 30	2006	2005
Total net sales	38,156	34,583
Cost of sales	(12,022)	(14,265)
Gross profit	26,134	20,318
R&D expenses	(3,701)	(3,419)
Selling expenses	(3,335)	(3,357)
G&A expenses	(4,455)	(2,855)
Total operating expenses	(11,491)	(9,631)
Other income (expenses), net	172	(18)
Operating income	14,815	10,669
Interest and other financial income, net	479	168
Foreign exchange gains (losses), net	(153)	181
Income before taxes	15,141	11,018
Income taxes	(6,758)	(4,011)
Net income	8,383	7,007

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

Thousands of euro

Nine months ended September 30	2006	2005
Total net sales	122,013	101,030
Cost of sales	(43,374)	(46,033)
Gross profit	78,639	54,997
R&D expenses	(11,052)	(10,607)
Selling expenses	(11,654)	(11,127)
G&A expenses	(13,706)	(9,754)
Total operating expenses	(36,412)	(31,488)
Other income (expenses), net	371	(172)
Operating income	42,598	23,337
Interest and other financial income, net	1,260	789
Foreign exchange gains (losses), net	(1,529)	1,027
Income before taxes	42,329	25,153
Income taxes	(19,586)	(10,138)
Net income	22,743	15,015

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

Thousands of euro

Three months ended September 30	Total		Information Displays		Industrial Applications		Advanced Materials & Corporate Costs	
	2006	2005	2006	2005	2006	2005	2006	2005
Total net sales	38,156	34,583	24,957	23,294	12,864	11,084	335	205
Cost of sales	(12,022)	(14,265)	(5,957)	(7,496)	(5,678)	(6,357)	(387)	(412)
Gross profit (loss)	26,134	20,318	19,000	15,798	7,186	4,727	(52)	(207)
Operating expenses and other income/expenses	(11,319)	(9,649)	(4,570)	(4,086)	(3,686)	(3,379)	(3,063)	(2,184)
Operating income (loss)	14,815	10,669	14,430	11,712	3,500	1,348	(3,115)	(2,391)

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

Euro

	2006 3 rd qr.	2005 3 rd qr.
Net income per ordinary share	0.3739	0.3125
Net income per savings share	0.3739	0.3125

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

Thousands of euro

	Sep 30, 2006	Dec 31, 2005
Property, plant and equipment, net	61,427	60,493
Intangible assets, net	5,105	2,695
Other non current assets	12,661	10,141
Current assets	140,204	151,069
Total Assets	219,397	224,398
Shareholders' equity	162,165	170,597
Non current liabilities	22,774	19,122
Current liabilities	34,458	34,679
Total Liabilities and Shareholders' Equity	219,397	224,398

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

Thousands of euro

	Sep 30, 2006	Jun 30, 2006	Dec 31, 2005
<i>Financial assets</i>			
Cash and banks	81,489	71,301	93,243
Other current assets	113	293	0
Total current assets	81,602	71,594	93,243
Total non current assets	0	0	0
Total financial assets	81,602	71,594	93,243
<i>Financial liabilities</i>			
Bank overdraft	2,666	1,867	2,798
Current portion of long term debt	260	260	257
Other current financial debt	15	0	893
Total current liabilities	2,941	2,127	3,948
Long term debt, net of current portion	3,304	3,304	3,434
Total non current liabilities	3,304	3,304	3,434
Total financial liabilities	6,245	5,431	7,382
Net financial position	75,357	66,163	85,861

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 September 30, 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. Evaluation procedures adopted in the Quarterly Report are substantially similar to those usually applied to prepare annual and consolidated financial statements.

On August 29, 2006 a 51% shareholding in Huadong Electronic Vacuum Material Co. Ltd. was acquired and successively turned into a joint venture named Nanjing SAES Huadong Vacuum Material Co. Ltd. The purchase price was €1.7 million. This company is included in the consolidated financial statements by using the equity method.

No other 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	2006 3 rd qr.	2005 3 rd qr.	Total difference (%)	Price-qty effect (%)	Exchange rate effect (%)
Cathode Ray Tubes	7,347	7,422	-1.0%	-1.8%	0.8%
Flat Panel Displays	17,610	15,872	11.0%	14.1%	-3.1%
Subtotal Information Displays	24,957	23,294	7.1%	9.1%	-2.0%
Lamps	3,328	2,429	37.0%	38.4%	-1.4%
Electronic Devices	3,810	3,140	21.3%	22.3%	-1.0%
Vacuum Systems and Thermal Insulation	1,992	1,913	4.1%	5.4%	-1.3%
Semiconductors	3,734	3,602	3.7%	6.5%	-2.8%
Subtotal Industrial Applications	12,864	11,084	16.1%	17.8%	-1.7%
Subtotal Advanced Materials	335	205	63.4%	64.9%	-1.5%
Total Net Sales	38,156	34,583	10.3%	12.2%	-1.9%

Index:

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, shape memory alloys and metalorganic precursors

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

Thousands of euro

	2006 3 rd qr.	2005 3 rd qr.
Italy	204	158
Other EU and European countries	4,795	4,463
North America	4,950	4,826
Japan	10,163	9,120
Asia (excluding Japan)	17,666	15,307
Rest of the World	378	709
Total Net Sales	38,156	34,583

For the third quarter ended September 30, 2006, **consolidated net sales** were €38.2 million compared with €34.6 million in the year-ago period, reflecting an increase by 10.3%. The rise on a comparable consolidation basis was equal to 9.4% including the effect of the sale of the subsidiary FST Consulting International, Inc. in July 2005 and the acquisition of the 35% shareholding in Nanjing SAES Huadong Getters Co. Ltd. (previously called Nanjing SAES Huadong Getters Co. Ltd.) in January 2006.

Information Displays Business Unit

Consolidated revenues of the Information Displays Business Unit were €25 million in the third quarter 2006, compared with €23.3 million in the same period one year-ago, representing an increase by 7.1% (+9.1% net of exchange rate effect).

In particular, net sales of the Cathode Ray Tubes Business Area were €7.3 million basically stable compared with €7.4 million in the same period one year-ago. Sales decreased by 10.1% on a comparable consolidation basis, including the effect of the acquisition of the 35% shareholding in SAES Getters (Nanjing) Co. Ltd. in January 2006, because of the reduction in the cathode ray tubes market. The exchange rate effect was positive by 0.8%.

Revenues of the Flat Panel Displays Business Area were €17.6 million with respect to €15.9 million in the third quarter 2005, reflecting an increase by 11%. The rise net of the exchange rate effect, equal to 14.1%, was due to a stronger demand of mercury dispensers for cold cathode lamps used as back-lighting of liquid crystal displays. The exchange rate effect was negative by 3.1%.

Gross profit for the Information Displays Business Unit grew to €19 million in the third quarter of 2006 from €15.8 million in the same period of 2005.

Operating income for the Information Displays Business Unit was equal to €14.4 million in the third quarter of 2006 compared with €11.7 million in the corresponding quarter of 2005. The growth was due to higher sales and a more favorable sales mix.

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit were €12.9 million in the third quarter of 2006 from €11.1 million in the same period one year-ago, representing an increase by 16.1% (+17.8% net of exchange rate effect).

Revenues of the Lamps Business Area were €3.3 million with respect to €2.4 million in the third quarter 2005, reflecting an increase by 37%. The rise was mainly due to higher sales of components for fluorescent lamps (+38.4%), partially offset by the exchange rate effect (-1.4%).

Revenues from the Electronic Devices Business Area rose by 21.3% to €3.8 million from €3.1 million in the third quarter 2005. The growth was due to higher sales of

porous getters for infrared detectors and non evaporable getters for optical amplifiers (+22.3%). The exchange rate effect was negative by 1%.

Net sales of the Vacuum Systems and Thermal Insulation Business Area increased by 4.1% to €2 million with respect to €1.9 million in the same period of 2005. The rise was mainly due to higher sales of components for thermal insulation (+5.4%), partially offset by the exchange rate effect (-1.3%).

Net sales of the Semiconductors Business Area were equal to €3.7 million compared with €3.6 million in the same period of 2005, reflecting an increase by 3.7%. Sales rose by 18.6% on a comparable consolidation basis, including the effect of the sale of the subsidiary FST Consulting International, Inc. in July 2005, thanks to higher sales of gas purifiers. The exchange rate effect was negative by 2.8%.

Gross profit for the Industrial Applications Business Unit was €7.2 million in the third quarter of 2006 compared with €4.7 million in the same period of 2005.

Operating income for the Industrial Applications Business Unit increased to €3.5 million in the third quarter of 2006 from €1.3 million in the corresponding quarter of 2005. The growth was due to higher sales and a more favorable sales mix.

Advanced Materials Business Development Unit & Corporate Costs

Consolidated revenues of the Advanced Materials Business Development Unit were €0.3 million in the third quarter of 2006, thanks to sales of getter films for MEMS applications and crystals for laser applications. Sales were €0.2 million in the third quarter of 2005.

Operating corporate costs and operating costs for the Advanced Materials Business Development Unit in the third quarter of 2006 were €3.1 million, compared with €2.2 million in the year-ago period. The increase was to higher corporate costs in comparison with the third quarter 2005.

Consolidated gross profit was equal to €26.1 million in the third quarter 2006, compared with €20.3 million in the same quarter of 2005. Consolidated gross profit in terms of sales was 68.5% compared with 58.8% in the third quarter 2005.

Total operating expenses were €1.5 million against €9.6 million in the third quarter 2005.

Consolidated EBITDA (operating income + depreciation and amortization + write down of property, plant and equipment) was €17.2 million in the third quarter 2006 compared with €12.9 million in the same quarter of 2005. Consolidated EBITDA in terms of sales was 45% compared with 37.4% in the third quarter 2005.

Consolidated operating income grew to €14.8 million in the three months ended September 30, 2006 from €10.7 million in the year-ago period, mainly thanks to higher sales and a better

sales mix. The R.O.S. (Return on Sales) ratio was equal to 38.8% in the third quarter 2006 compared with 30.9% in the same period of 2005.

Income taxes were €6.8 million in the three months ended September 30, 2006, compared with €4 million in the three months ended September 30, 2005. As a percentage of income before taxes, income taxes were 44.6% in the third quarter of 2006, compared with 36.4% in the third quarter of 2005. The increase was mainly due to a higher taxation on distributable reserves of foreign Group companies.

Consolidated net income was €8.4 million in the third quarter 2006 compared with €7 million in the correspondent quarter of 2005.

Net income per ordinary share and savings share was €0.3739 in the third quarter 2006 compared with €0.3125 in the year-ago period.

The Group's **net financial position** was €75.4 million as of September 30, 2006, from €66.2 million as of June 30, 2006. In the third quarter 2006 cash provided by operating activities, equal to €12.3 million, was partially used in purchase of property, plant and equipment (€1.6 million) and the acquisition of the shareholding equal to 51% of Huadong Electronic Vacuum Material Co. Ltd. - subsequently converted into a sino-foreign contractual joint venture company under the name Nanjing SAES Huadong Vacuum Material Co. Ltd. - (€1.7 million).

January – September 2006

Consolidated net sales for the nine months ended September 30, 2006 were €122 million up by 20.8% from €101 million in the year-ago period. The rise on a comparable consolidation basis was equal to 23.1% including the effect of the sale of the subsidiary FST Consulting International, Inc. and the acquisition of the 35% shareholding in SAES Getters (Nanjing) Co. Ltd.

Consolidated EBITDA (operating income + depreciation and amortization + write down of property, plant and equipment) was €1.3 million in the first nine months of 2006 compared to €1.6 million in the same period of 2005.

Consolidated net income was €22.7 million in the first nine months of 2006 (18.6% of net sales), with respect to €15 million in the same period of the previous year (14.9% of net sales).

Net income per ordinary share and savings share was €1.0091 and €1.0251, respectively, compared to €0.6644 and €0.6805 per ordinary share and savings share, respectively, in the first nine months of 2005.

The gross margin increased to 64.5% of net sales in the first nine months of 2006 from 54.4% in the same period of 2005.

The R.O.S. ratio for the nine months ended September 30, 2006 was 34.9% compared to 23.1% in the year-ago period.

Business performance outlook

Expectations for 2006 are positive in particular with reference to the estimated ongoing growth in sales of components for liquid crystal displays. On the opposite, the cathode ray tube market is expected to decrease because of the maturity of the business. Other industrial markets in which the Group operates should confirm slight growth rates.

The Group forecasts higher sales coming from the launch into the market of some products in the advanced materials field.

The Group confirms 2006 results forecast as previously disclosed, despite some restructuring costs will be charged in the fourth quarter with reference to manufacturing activities.

The Group's economic results for the period will continue to be influenced by the exchange rates of the Euro against the major currencies. Hedging contracts are in place against foreign exchange risk in respect of the US dollar, the Japanese yen and the Korean Won.

Lainate, Milan - Italy, October 27, 2006

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