



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 – 4th Quarter 2006

Quarterly consolidated net sales were €43.6 million compared with €37.6 million in the year-ago period, reflecting an increase by 16.1% (+18.8% net of exchange rate effect). The rise on a comparable consolidation basis was equal to 14% including the effect of the acquisition of the 35% shareholding in SAES Getters (Nanjing) Co. Ltd. (previously called Nanjing SAES Huadong Getters Co. Ltd.) in January 2006.

Quarterly consolidated operating income was equal to €2.3 million compared with €9.4 million in the fourth quarter 2005. It is to be noted that restructuring costs, equal to €4.2 million, were charged in the fourth quarter 2006 with reference to manufacturing activities of getters for cathode ray tubes.

Consolidated net income was €5.9 million with respect to €6 million in the year-ago period. Net income per ordinary share and savings share was equal to €0.2616 compared with €0.2673 in the fourth quarter 2005.

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Quarterly sales were excellent and even higher than Group's expectations. Results were positive even if affected by restructuring costs and negatively impacted by a high tax rate. After a particularly positive quarter, the Group expects the Information Display market, subject to strong pricing pressure, 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.

Following the recent changes introduced in the Italian tax legislation (law decree n. 223 dated July 4, 2006, converted into law n. 24 dated August 4, 2006), the taxation of dividends coming from companies located in the so called black listed countries has significantly changed. As a consequence the Group had to review its tax policy in order to ensure the best economic result in compliance with the new tax rules. In this respect we point out that the Company filed a claim to the competent tax authorities in order to achieve a confirmation that the ordinary tax regime is applicable to profits of the subsidiary SAES Getters Korea. For the time being the central tax authority has not issued a final decision yet.

In this context, quarterly data have been drawn up taking into account the tax burden deriving from the application of the less favorable law provision so called CFC.

For completeness sake, it is worth pointing out that, in the case of the application of the more favorable tax treatment according to the solution proposed through the claim, the tax burden (current and deferred) could be reduced and the quarterly net income could be increased by approximately €0.8 million.

The Board of Directors approved the update of the Model of Organization, Management and Control consistent with Legislative Decree No. 231/2001, in order to comply with recent law enactment and in particular to include the market abuse crimes within the crimes for which the Company is accountable pursuant to Legislative Decree No. 231/2001.

CONSOLIDATED FINANCIAL STATEMENTS

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

Thousands of euro

| Three months ended December 31 | 2006 | 2005 |
|--|---------------|---------------|
| Total net sales | 43,587 | 37,550 |
| Cost of sales | (15,427) | (16,104) |
| Gross profit | 28,160 | 21,446 |
| R & D expenses | (4,557) | (4,022) |
| Selling expenses | (3,228) | (4,112) |
| G&A expenses | (4,902) | (4,340) |
| Total operating expenses | (12,687) | (12,474) |
| Other income (expenses), net | (3,194) | 455 |
| Operating income | 12,279 | 9,427 |
| Interest and other financial income, net | 366 | 401 |
| Foreign exchange gains (losses), net | (586) | 130 |
| Income before taxes | 12,059 | 9,958 |
| Income taxes | (6,194) | (3,966) |
| Net income | 5,865 | 5,992 |

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

Thousands of euro

| Twelve months ended December 31 | 2006 | 2005 |
|--|----------------|----------------|
| Total net sales | 165,600 | 138,580 |
| Cost of sales | (58,801) | (62,137) |
| Gross profit | 106,799 | 76,443 |
| R&D expenses | (15,609) | (14,629) |
| Selling expenses | (14,882) | (15,239) |
| G&A expenses | (18,608) | (14,094) |
| Total operating expenses | (49,099) | (43,962) |
| Other income (expenses), net | (2,823) | 283 |
| Operating income | 54,877 | 32,764 |
| Interest and other financial income, net | 1,626 | 1,190 |
| Foreign exchange gains (losses), net | (2,115) | 1,157 |
| Income before taxes | 54,388 | 35,111 |
| Income taxes | (25,780) | (14,104) |
| Net income | 28,608 | 21,007 |

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 | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|-----------------------------|---|-----------------------------|
| | 4 th qr. 2006 | 4 th qr. 2005 | 4 th qr. 2006 | 4 th qr. 2005 | 4 th qr. 2006 | 4 th qr. 2005 | 4 th qr. 2006 | 4 th qr. 2005 |
| Total net sales | 43,587 | 37,550 | 29,429 | 25,415 | 13,717 | 11,882 | 441 | 253 |
| Cost of sales | (15,427) | (16,104) | (7,278) | (7,546) | (7,591) | (8,255) | (558) | (303) |
| Gross profit (loss) | 28,160 | 21,446 | 22,151 | 17,869 | 6,126 | 3,627 | (117) | (50) |
| Operating expenses and other income/expenses | (15,881) | (12,019) | (8,943) | (4,912) | (3,271) | (4,262) | (3,667) | (2,845) |
| Operating income (loss) | 12,279 | 9,427 | 13,208 | 12,957 | 2,855 | (635) | (3,784) | (2,895) |

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

Euro

| | 2006 4 th qr. | 2005 4 th qr. |
|-------------------------------|-----------------------------|-----------------------------|
| Net income per ordinary share | 0.2616 | 0.2673 |
| Net income per savings share | 0.2616 | 0.2673 |

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

Thousands of euro

| | Dec 31, 2006 | Dec 31, 2005 |
|---|----------------|----------------|
| Property, plant and equipment, net | 61,303 | 60,493 |
| Intangible assets, net | 4,674 | 2,695 |
| Other non current assets | 12,584 | 10,141 |
| Current assets | 153,738 | 151,069 |
| Total Assets | 232,299 | 224,398 |
| Shareholders' equity | 166,272 | 170,597 |
| Non current liabilities | 26,733 | 19,122 |
| Current liabilities | 39,294 | 34,679 |
| Total Liabilities and Shareholders' Equity | 232,299 | 224,398 |

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

Thousands of euro

| | Dec 31, 2006 | Sep 30, 2006 | Dec 31, 2005 |
|--|---------------|---------------|---------------|
| <i>Financial assets</i> | | | |
| Cash and banks | 93,879 | 81,489 | 93,243 |
| Other current assets | 388 | 113 | 0 |
| Total current assets | 94,267 | 81,602 | 93,243 |
| Total non current assets | 0 | 0 | 0 |
| Total financial assets | 94,267 | 81,602 | 93,243 |
| <i>Financial liabilities</i> | | | |
| Bank overdraft | 67 | 2,666 | 2,798 |
| Current portion of long term debt | 839 | 260 | 257 |
| Other current financial debt | 0 | 15 | 893 |
| Total current liabilities | 906 | 2,941 | 3,948 |
| Long term debt, net of current portion | 2,989 | 3,304 | 3,434 |
| Total non current liabilities | 2,989 | 3,304 | 3,434 |
| Total financial liabilities | 3,895 | 6,245 | 7,382 |
| | | | |
| Net financial position | 90,372 | 75,357 | 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 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. 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 | 2006 4 th qr. | 2005 4 th qr. | Total difference (%) | Price-qty effect (%) | Exchange rate effect (%) |
|--|-----------------------------|-----------------------------|----------------------------|----------------------------|--------------------------------|
| Cathode Ray Tubes | 6,391 | 8,619 | -25.8% | -24.9% | -0.9% |
| Flat Panel Displays | 23,038 | 16,796 | 37.2% | 40.1% | -2.9% |
| Subtotal Information Displays | 29,429 | 25,415 | 15.8% | 18.3% | -2.5% |
| Lamps | 2,998 | 3,038 | -1.3% | 1.7% | -3.0% |
| Electronic Devices | 3,576 | 2,987 | 19.7% | 22.2% | -2.5% |
| Vacuum Systems and Thermal Insulation | 2,172 | 1,944 | 11.7% | 14.2% | -2.5% |
| Semiconductors | 4,971 | 3,913 | 27.0% | 30.9% | -3.9% |
| Subtotal Industrial Applications | 13,717 | 11,882 | 15.4% | 18.5% | -3.1% |
| Subtotal Advanced Materials | 441 | 253 | 74.3% | 76.4% | -2.1% |
| Total Net Sales | 43,587 | 37,550 | 16.1% | 18.8% | -2.7% |

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 4 th qr. | 2005 4 th qr. |
|---------------------------------|-----------------------------|-----------------------------|
| Italy | 265 | 231 |
| Other EU and European countries | 5,446 | 4,663 |
| North America | 4,311 | 4,599 |
| Japan | 10,199 | 9,483 |
| Asia (excluding Japan) | 23,140 | 18,225 |
| Rest of the World | 226 | 349 |
| Total Net Sales | 45,587 | 37,550 |

Quarterly **consolidated net sales** were €43.6 million compared with €37.6 million in the year-ago period, reflecting an increase by 16.1% (+18.8% net of exchange rate effect). The rise on a comparable consolidation basis was equal to 14% including the effect of the acquisition of the 35% shareholding in SAES Getters (Nanjing) 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 €29.4 million in the fourth quarter 2006, compared with €25.4 million in the same period one year-ago, representing an increase by 15.8% (+18.3% net of exchange rate effect).

In particular, net sales of the Cathode Ray Tubes Business Area decreased by 25.8% to €6.4 million from €8.6 million in the same period one year-ago. Sales decreased by 31.8% 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 negative by 0.9%.

Revenues of the Flat Panel Displays Business Area were €23 million with respect to €16.8 million in the fourth quarter 2005, reflecting an increase by 37.2%. The rise was due to a stronger demand of mercury dispensers for cold cathode fluorescent lamps used as back-lighting of liquid crystal displays (+40.1%). The exchange rate effect was negative by 2.9%.

Gross profit for the Information Displays Business Unit grew to €22.2 million in the fourth quarter of 2006 from €17.9 million in the same period of 2005. The rise was mainly due to the increase of sales and a better sales mix.

Operating income for the Information Displays Business Unit was €13.2 million in the fourth quarter of 2006 with respect to €13 million in the corresponding quarter of 2005. It is to be noted that restructuring costs, equal to €4.2 million, were charged in the fourth quarter 2006 with reference to manufacturing activities of getters for cathode ray tubes.

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit were €13.7 million in the fourth quarter of 2006 with respect to €11.9 million in the same period one year-ago, reflecting an increase by 15.4% (+18.5% net of exchange rate effect).

Revenues of the Lamps Business Area were €3 million stable with respect to the fourth quarter 2005.

Revenues from the Electronic Devices Business Area rose by 19.7% to €6.6 million from €5.5 million in the fourth quarter 2005. The growth was mainly due to higher sales of porous getters for infrared detectors and non evaporable getters for optical amplifiers (+22.2%). The exchange rate effect was negative by 2.5%.

Net sales of the Vacuum Systems and Thermal Insulation Business Area increased by 11.7% to €2.2 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 (+14.2%), partially offset by the exchange rate effect (-2.5%).

Net sales of the Semiconductors Business Area were equal to €5 million compared with €3.9 million in the same period of 2005, reflecting an increase by 27% thanks to higher sales of gas purifiers. The exchange rate effect was negative by 3.9%.

Gross profit for the Industrial Applications Business Unit was €6.1 million in the fourth quarter of 2006 compared with €3.6 million in the same period of 2005.

Operating income for the Industrial Applications Business Unit was €2.9 million in the fourth quarter of 2006 compared with an operating loss equal to €0.6 million in the corresponding quarter of 2005. It is to be noted that €1 million were charged in the fourth quarter 2006 because of the stoppage of the manufacturing activities of gas distribution systems of the subsidiary SAES Getters Technical Service (Shanghai) Co. Ltd., China.

Advanced Materials Business Development Unit & Corporate Costs

Consolidated revenues of the Advanced Materials Business Development Unit were €0.4 million in the fourth quarter of 2006, thanks to sales of getter films for MEMS applications and crystals for laser applications. Sales were €0.3 million in the fourth quarter of 2005.

Operating corporate costs and operating costs for the Advanced Materials Business Development Unit in the fourth quarter of 2006 were €3.7 million, compared with €2.8 million in the year-ago period. The increase was mainly due to higher R&D costs of the advanced materials business development unit in comparison with the fourth quarter 2005.

Consolidated gross profit was equal to €28.2 million in the fourth quarter 2006, compared with €1.4 million in the same quarter of 2005. Consolidated gross profit in terms of sales increased to 64.6% from 57.1% in the fourth quarter 2005.

Total operating expenses were €12.7 million compared with €12.5 million in the fourth quarter 2005.

Consolidated EBITDA (operating income + depreciation and amortization + write down of property, plant and equipment) was €14.9 million in the fourth quarter 2006 compared with €13.6 million in the same quarter of 2005. Consolidated EBITDA in terms of sales was 34.2% against 36.3% in the fourth quarter 2005.

Consolidated operating income was up to €12.3 million in the three months ended December 31, 2006 from €9.4 million in the year-ago period, despite the already mentioned restructuring costs equal to €4.2 million. The R.O.S. (Return on Sales) ratio was equal to 28.2% in the fourth quarter 2006 compared with 25.1% in the same period of 2005. The increase was mainly due to the increase in sales and a better sales mix.

Income taxes were €6.2 million in the three months ended December 31, 2006, compared with €4 million in the three months ended December 31, 2005. As a percentage of income before taxes, income taxes were 51.4% in the fourth quarter of 2006, compared with 39.8% in the fourth quarter of 2005.

Consolidated net income was €5.9 million in the fourth quarter 2006 compared with €6 million in the correspondent quarter of 2005.

Net income per ordinary share and savings share was equal to €0.2616 compared with €0.2673 in the fourth quarter 2005.

The Group's **net financial position** was equal to €90.4 million as of December 31, 2006, from €75.4 million as of September 30, 2006. Cash flows provided by operating activities were equal to €9.9 million. Purchase of property, plant and equipment was equal to €4 million.

2006

Consolidated net sales were €165.6 million in 2006 up by 19.5% from €138.6 million in the year-ago period. The rise on a comparable consolidation basis was equal to 20.6% 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. in January 2006.

Consolidated gross profit grew to €106.8 million in 2006 from €76.4 million in 2005. The gross margin increased to 64.5% of net sales in 2006 from 55.2% in the previous year.

Consolidated EBITDA was €66.2 million (40% of net sales) in 2006 compared with €45.2 million (32.6% of net sales) in 2005.

Consolidated operating income grew to €54.9 million in 2006 from €32.8 million in the year-ago period. It is to be noted that restructuring costs, equal to €4.2 million, were charged in 2006. The R.O.S. ratio was 33.1% in 2006 compared with 23.6% in the year-ago period.

Consolidated net income was €28.6 million in 2006 (17.3% of net sales) with respect to €21 million in the same period of the previous year (15.2% of net sales).

Net income per ordinary share and savings share was €1.2707 and €1.2867, respectively, compared to €0.9315 and €0.9476 per ordinary share and savings share, respectively, in 2005.

Business performance outlook

The Group 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.

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 January 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 \$50.9 million, the average spot exchange rate is 1.3036 against the euro. These contracts cover the whole 2007.

For the contracts on the Japanese yen, the notional value is Japanese yen 1.920 million, the average spot exchange rate is 153.41 against the euro. These contracts cover the first half of 2007.

Lainate, Milan - Italy, February 13, 2007

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