



SAES GETTERS S.p.A.

Capital Stock Euro 12,220,000 fully paid-in
Address of Principal Executive Offices:
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Registered with the Milan Court Companies Register no. 00774910152

Interim Management Report – 1st Quarter 2011

In the first quarter 2011, SAES Getters Group achieved consolidated net sales equal to €38.6 million, with an increase of 21.8% compared to €31.7 million achieved in the corresponding quarter 2010. The exchange rate effect was positive and equal to 1.6%, mainly due to the strengthening of the U.S. dollar in the first quarter 2011 compared to the same period of the last year. Excluding exchange rate effect, organic growth was 20.2%. The scope of consolidation is unchanged compared to 2010.

Consolidated gross profit for the quarter was equal to €15.9 million, compared to €14.9 million in the first quarter 2010. Gross margin, as a percentage of revenues, was equal to 41.1% compared to 47% in the first quarter 2010, but higher than 38.1% recorded in the last quarter 2010, characterized by a product mix comparable with the quarter just ended.

In the first quarter 2011, **consolidated operating income** was equal to €3.7 million, showing a significant growth (+68.9%) compared to €2.2 million in the first quarter 2010.

Consolidated income before taxes was equal to €3.5 million and it is more than doubled compared to that of the first quarter 2010 (€1.4 million).

Consolidated net income was positive and amounted to €1.4 million, almost tripled compared to €0.5 million in the first quarter 2010.

In this quarter, net income per ordinary share and per savings share was equal to €0.0266 and €0.1385 respectively; in the corresponding period of last year, earning per savings share was equal to €0.0630, while there were no earnings per ordinary share.

In the first quarter 2011, **consolidated EBITDA²** was equal to €6.5 million, compared to €5.2 million in the first quarter 2010. As a percentage of revenues, EBITDA was equal to 16.8% in 2011, showing a slight increase over the first quarter of the previous year (16.4% in the first quarter 2010).

¹ On November 9, 2010 the Group, through its subsidiary SAES Getters International Luxembourg S.A., signed a binding agreement for the transfer of its stake (equal to 51%) in the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. to its Chinese minority-interest shareholders. Following this agreement, which will be definitive only after obtaining the approval and registration by the local Administrative Authorities, the figures of the first quarter 2010 of the joint venture have been reclassified in the separate income statement line "Income (loss) from assets held for sale and discontinued operations" in accordance with IFRS 5.

² EBITDA is not deemed a measure of performance under International Financial Reporting Standards (IFRS) and must not be considered as an alternative indicator of the Group's results. However, we believe that EBITDA is an important parameter for measuring the Group's performance. Since the calculation of EBITDA is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with methods adopted by other groups. EBITDA is defined as "earnings before interests, taxes, depreciation and amortization".

There is strong satisfaction for the revenues achieved in the first quarter, higher in absolute terms with respect to all quarters in 2010. There is satisfaction also for the recovery of gross margin in respect of the recent periods of 2010, characterized by a product mix similar to that of the quarter just ended. In the coming months we expect a substantial stability in all sectors, with uncertainties related to exchange rates volatility, particularly concerning the U.S. dollar.

CONSOLIDATED FINANCIAL STATEMENTS

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

Thousands of euro

	1st Quarter 2011	1st Quarter 2010
Total net sales	38,628	31,724
Cost of sales	(22,758)	(16,801)
Gross profit	15,870	14,923
R & D expenses	(3,518)	(3,385)
Selling expenses	(3,555)	(2,760)
G&A expenses	(5,633)	(6,517)
Total operating expenses	(12,706)	(12,662)
Other income (expenses), net	580	(45)
Operating income	3,744	2,216
Interest and other financial income, net	(303)	(416)
Foreign exchange gains (losses), net	53	(385)
Income before taxes	3,494	1,415
Income taxes	(2,082)	(1,197)
Net income from continuing operations	1,412	218
Income (loss) from assets held for sale and discontinuing operations	0	202
Net income before minority interest	1,412	420
Net income (loss) pertaining to minority interest	0	(45)
Net income pertaining to the group	1,412	465

Saes Getters S.p.A. and Subsidiaries - Consolidated statement of comprehensive income

Thousands of euro

	1st Quarter 2011	1st Quarter 2010
Profit for the period	1,412	420
Exchange differences on translation of foreign operations	(4,420)	5,332
Exchange differences on translation of discontinued operations	0	147
Other comprehensive income (loss) for the period	(4,420)	5,479
Total comprehensive income for the period, net of tax	(3,008)	5,899
<i>attributable to:</i>		
- Equity holders of the parent	(3,008)	5,944
- Minority interests	0	(45)

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

	Industrial Applications		Shape Memory Alloys		Information Displays		Advanced Materials & Corporate Costs		TOTAL	
	1st Quarter 2011	1st Quarter 2010	1st Quarter 2011	1st Quarter 2010	1st Quarter 2011	1st Quarter 2010	1st Quarter 2011	1st Quarter 2010	1st Quarter 2011	1st Quarter 2010
Total net sales	27,084	18,671	10,338	7,819	1,076	5,117	130	117	38,628	31,724
Cost of sales	(14,047)	(8,885)	(7,287)	(5,739)	(1,103)	(2,003)	(321)	(174)	(22,758)	(16,801)
Gross profit (loss)	13,037	9,786	3,051	2,080	(27)	3,114	(191)	(57)	15,870	14,923
Operating expenses and other income (expenses)	(4,334)	(3,479)	(2,365)	(2,641)	(592)	(1,270)	(4,835)	(5,317)	(12,126)	(12,707)
Operating income (loss)	8,703	6,307	686	(561)	(619)	1,844	(5,026)	(5,374)	3,744	2,216

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

Euro

	1st Quarter 2011	1st Quarter 2010
Net income (loss) per ordinary share	0.0266	0.0000
Net income (loss) per savings share	0.1385	0.0630

SAES Getters S.p.A. and Subsidiaries – Consolidated Statement of financial position

Thousands of euro

	March 31, 2011	December 31, 2010
Property, plant and equipment, net	61,549	63,813
Intangible assets, net	41,590	44,411
Other non current assets	5,926	6,078
Current assets	75,690	76,961
Assets held for sale	2,130	2,277
Total Assets	186,885	193,540
Shareholders' equity	105,588	108,597
Minority interest in consolidated subsidiaries	3	3
Total shareholders' equity	105,591	108,600
Non current liabilities	40,709	43,319
Current liabilities	39,045	39,971
Liabilities held for sale	1,540	1,650
Total Liabilities and Shareholders' Equity	186,885	193,540

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

Thousands of euro

	March 31, 2011	December 31, 2010
Cash on hands	13	11
Cash equivalents	16,052	20,566
Cash and cash equivalents	16,065	20,577
Current financial assets	106	0
Bank overdraft	(2,013)	(1,504)
Current portion of long term debt	(11,171)	(11,683)
Other current financial liabilities	(941)	(948)
Current financial liabilities	(14,125)	(14,135)
Current net financial position	2,046	6,442
Long term debt, net of current portion	(27,156)	(29,971)
Other non current financial liabilities	(701)	(701)
Non current liabilities	(27,857)	(30,672)
Net financial position	(25,811)	(24,230)
Cash and cash equivalents held for sale	1,540	1,650
Total net financial position	(24,271)	(22,580)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting Principles, Methods and Structure of the Group

The Interim Management Report has been prepared applying the international accounting standards (IFRS) and in accordance with article 154-*ter* of “Financial Consolidation Act”, introduced by the Legislative Decree 195/2007, through which the Italian Lawyer has given execution to the Directive 2004/109/CE on subject of periodical information. This article substituted the article 82 (“Quarterly reports”) and the Annex 3D (“Guidance for the editing of Quarterly Reports”) of the Issuers Regulations.

The Interim Management Report is consistent with the accounting principles that govern the preparation of the annual and consolidated financial statements, insofar as they are applicable. Evaluation procedures adopted in the Interim Management Report are substantially similar to those usually applied to prepare the annual and consolidated financial statements.

During the first quarter 2011 no changes in the consolidation area have occurred.

To be noticed that the Interim Management Report on 1st quarter 2011 is unaudited.

Reclassifications on 1st quarter 2010

We report that income statement figures of the first quarter 2010, presented for comparative purposes, have been reclassified compared with those disclosed in the Interim Management report as at March 31, 2010. Particularly, following the signature of a binding agreement for the sales of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. 2011 figures of the joint venture have been classified in a separate income statement item "Income (loss) from assets held for sale and discontinued operations". Also figures related to the first quarter 2010 were reclassified to enable a homogeneous comparison with 2011.

The following table shows the effect of the foregoing changes on the Consolidated Income Statement as at March 31, 2010:

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

Thousands of euro

	1st Quarter 2010	Reclassifications	1st Quarter 2010 reclassified
Total net sales	32,260	(536)	31,724
Cost of sales	(17,101)	300	(16,801)
Gross profit	15,159	(236)	14,923
R & D expenses	(3,385)	0	(3,385)
Selling expenses	(2,766)	6	(2,760)
G&A expenses	(6,562)	45	(6,517)
Total operating expenses	(12,713)	51	(12,662)
Other income (expenses), net	(45)	0	(45)
Operating income	2,401	(185)	2,216
Interest and other financial income, net	(415)	(1)	(416)
Foreign exchange gains (losses), net	(375)	(10)	(385)
Income before taxes	1,611	(196)	1,415
Income taxes	(1,223)	26	(1,197)
Net income from continuing operations	388	(170)	218
Income (loss) from assets held for sale and discontinuing operations	32	170	202
Net income before minority interest	420	0	420
Net loss pertaining to minority interest	(45)	0	(45)
Net income pertaining to the group	465	0	465

Net Sales by Business and by Geographic Location of Customers**Saes Getters S.p.A. and Subsidiaries - Consolidated Net Sales per Business**

Thousands of euro (except %)

Business	1st Quarter 2011	1st Quarter 2010	Total difference (%)	Price-Quantity effect (%)	Exchange rate effect (%)
Lamps	3,603	2,884	24.9%	22.3%	2.6%
Electronic Devices	6,752	5,765	17.1%	16.0%	1.1%
Vacuum Systems and Thermal Insulation	3,220	4,122	-21.9%	-23.7%	1.8%
Semiconductors	13,509	5,900	129.0%	126.5%	2.5%
Subtotal Industrial Applications	27,084	18,671	45.1%	43.2%	1.9%
Subtotal Shape Memory Alloys	10,338	7,819	32.2%	30.9%	1.3%
Liquid Crystal Displays	571	4,129	-86.2%	-86.7%	0.5%
Cathode Ray Tubes	505	988	-48.9%	-49.8%	0.9%
Subtotal Information Displays	1,076	5,117	-79.0%	-79.5%	0.5%
Subtotal Advanced Materials	130	117	11.1%	9.2%	1.9%
Total Net Sales	38,628	31,724	21.8%	20.2%	1.6%

Index:

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 and getters for microelectronic and micromechanical systems (MEMS)
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems, getters for solar collectors and products for thermal insulation
Semiconductors	Gas purifier systems for semiconductor industry and other industries
Shape Memory Alloys Business Unit	
Shape Memory Alloys (SMA)	Shape memory alloys

Information Displays Business Unit	
Liquid Crystal Displays	Getters and metal dispensers for liquid crystal displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
Advanced Materials Business Development Unit	
Advanced Materials	Dryers and highly sophisticated getters for OLED, sealants for solar panels and energy storage getter devices

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

Location of Customer

Thousands of euro

Geographic Area	1st Quarter 2011	1st Quarter 2010
Italy	323	529
European countries	7,454	6,356
North America	16,731	12,998
Japan	1,419	2,064
South Korea	4,317	2,666
China	4,710	2,999
Rest of Asia	3,553	3,988
Rest of the World	121	124
Total Net Sales	38,628	31,724

In the first quarter 2011, SAES Getters Group achieved consolidated net sales equal to €38.6 million, with an increase of 21.8% compared to €31.7 million achieved in the corresponding quarter 2010. The exchange rate effect was positive and equal to 1.6%, mainly due to the strengthening of the U.S. dollar in the first quarter 2011 compared to the same period of the last year. Excluding exchange rate effect, organic growth was 20.2%. The scope of consolidation is unchanged compared to 2010.

Industrial Applications Business Unit

In the first quarter 2011, **consolidated sales** of the Industrial Applications Business Unit were equal to €27.1 million, with an increase of 45.1% compared to €18.7 million in the first quarter 2010. The currency trend recorded a positive exchange rate effect equal to 1.9%, net of which the growth was 43.2%.

There have been increases in almost all businesses, particularly in the gas purification one (Semiconductors Business), whose revenues have more than doubled (+129%), consolidating the growth trend of the last year. Also the lamp sector shows continuous growth in revenues (+24.9%), mainly due to higher sales of dispensers for fluorescent lamps favored by the market trend to adopt solutions that are highly precise and dosing low quantity of mercury, characteristics of SAES Getters dispensers. In the Electronic Devices business, all applications show increasing revenues over the same quarter of last year (the overall growth is +17.1% compared to 2010); in particular, the increase is attributable to higher sales of getters for infrared detectors increasingly used in civil and commercial solutions, as well as of getters for MEMS.

Within the Industrial Applications Business Unit, the only exception is represented by the Vacuum Systems and Thermal Insulation sector, whose revenues have decreased (-21.9%) for the smaller number of special projects undertaken in the field of getter pumps for particle accelerators, for which, however, a recovery is expected in the second half of the year, also thanks to the increasing penetration of the new products recently introduced into the market; also sales of getters for specific military applications show a decline, as well as sales of getters for solar collectors, whose economic cycle is slowed down by the reduced availability of public funding and incentives.

Please note that during the first quarter 2011 the earthquake in Japan had no effect on sales and we do not expect a significant impact from it in the coming months as well.

Turnover of the Lamps Business amounted to €3.6 million, compared to €2.9 million in the first quarter 2010 (+24.9%). The currency trend led to a positive exchange rate effect equal to 2.6%.

Turnover of the Electronic Devices Business was equal to €6.8 million in the first quarter 2011, with an increase of 17.1% compared to €5.8 million in the corresponding quarter 2010. The currency trend led to an exchange rate effect equal to +1.1%.

Turnover of the Vacuum Systems and Thermal Insulation Business was equal to €3.2 million in the first quarter 2011, down by 21.9% compared to €4.1 million in the first quarter 2010. The exchange rate effect was equal to +1.8%, net of which the reduction would have been equal to -23.7%.

Turnover of the Semiconductor Business was equal to €13.5 million in the first quarter 2011, with an increase of 129% compared to €5.9 million in the first quarter 2010. The effect of exchange rates was equal to +2.5%, net of which organic growth was equal to +126.5%.

Gross profit of the Industrial Applications Business Unit was equal to €13 million, with an increase of 33.2% compared to €9.8 million in the first quarter 2010. As a percentage of revenues, gross margin amounted to 48.1%, down in respect of 52.4% of the corresponding period of 2010 but up in respect of 44.7% of the fourth quarter 2010.

Compared to the first quarter 2010, please note the shift in the sales mix towards products with a higher consumption of raw materials. The decrease is primarily concentrated in the gross margin of the semiconductors business, due to higher sales of “large purifiers” with a marginality lower than the average one.

If we include in the turnover also the revenues deriving from royalties for MEMS (currently included in the item “other income”), the gross margin for the quarter would rise to 49.3%.

Operating income of the Industrial Applications Business Unit amounted to €8.7 million in the first quarter 2011, with an increase (+38%) compared to €6.3 million in the first quarter 2010. In the first quarter 2011, the increase in operating income is due both to increased sales and to revenues from royalties derived from the licensing of the getter technology for MEMS.

In percentage terms, the operating margin for the quarter was equal to 32.1%, compared to 33.8% in the corresponding period of 2010; the decrease is due solely to the reduction in the gross margin resulting from the different sales mix.

Shape Memory Alloys (SMA) Business Unit

In the first quarter 2011, **consolidated sales** of the business unit dedicated to shape memory alloys were equal to €10.3 million, compared to €7.8 million in the corresponding period of 2010. The exchange rate effect was equal to +1.3%, net of which organic growth was 30.9%.

The increase in sales is mainly attributable to semi-finished products, which recorded a growth rate higher than the growth in sales of components.

With reference to the geographical areas, in addition to sales in North America, also sales in Europe have substantially increased and have almost doubled over the first quarter 2010, although with values in absolute terms lower than those of the U.S. market.

Gross profit of the Shape Memory Alloys Business Unit was equal to €3.1 million in the first quarter 2011, corresponding to 29.5% of revenues, up with respect to €2.1 million in the first quarter 2010 (26.6% of revenues).

Operating income of the Shape Memory Alloys Business Unit amounted to €0.7 million in the first quarter 2011 (6.6% of consolidated revenues), compared to an operating loss of €0.6 million in the first quarter 2010. The increase in gross profit, combined with the containment of operating expenses (down from €2.7 million to €2.4 million), has allowed to end the quarter with a positive operating result.

Information Displays Business Unit

In the first quarter 2011, **consolidated sales** of the Information Displays Business Unit were equal to €1.1 million, down by 79% compared to €5.1 million in the corresponding period of 2010. The exchange rate effect was essentially neutral and equal to +0.5%. The decrease is mainly due to the structural and irreversible decline in the business of fluorescent lamps for the backlighting of liquid crystal displays (LCD). However, in the field of displays, the Group continues to invest in the development of highly innovative getter solutions for OLED applications³, that are expected to gradually stand next to the current LCD technology over the coming years.

Turnover of the Liquid Crystal Displays Business amounted to €0.6 million in the first quarter 2011, compared to €4.1 million in the first quarter 2010 (-86.2%). The currency trend led to a positive exchange rate effect equal to 0.5%.

The Cathode Ray Tubes Business recorded a turnover equal to €0.5 million, compared to €1 million in the first quarter 2010 (-48.9%). The currency trend led to an exchange rate effect equal to +0.9%.

The Information Displays Business Unit ended the first quarter 2011 with a **gross profit** essentially at break-even (-€0.03 million), compared with a gross profit of €3.1 million in the first quarter of the previous year. Gross margin was negative (-2.5%) compared to a positive value in the first quarter 2010, when the gross margin was still equal to 60.9%; the significant decrease is due solely to the fall in sale volumes in the LCD sector.

Operating income of the Information Displays Business Unit was negative and amounted to -€0.6 million in the first quarter 2011, compared to an operating income of €1.8 million in the corresponding quarter of 2010: the decline in turnover and the subsequent reduction in gross profit are only partially offset by lower operating expenses.

Advanced Materials Business Development Unit & Corporate Costs

Consolidated sales of the Advanced Materials Business Development Unit were equal to €0.1 million in the first quarter 2011, unchanged from the corresponding quarter 2010.

Gross profit of the Advanced Materials Business Development Unit & Corporate Costs was negative and equal to -€0.2 million.

Operating loss (-€5 million) of the Advanced Materials Business Development Unit & Corporate Costs includes both the result of the Advanced Materials Business Development Unit and those costs that cannot be directly attributed or reasonably allocated to any business sector but that refer to the Group as a whole. Operating result (-€5 million) improves compared to the first quarter 2010 (-€5.4 million) thanks to the containment of operating costs and, in particular, of G&A expenses.

³ Please note that the figures related to OLED applications are currently included in the Advanced Materials Business Development Unit

Consolidated gross profit was equal to €15.9 million in the first quarter 2011 compared to €14.9 million in the corresponding quarter 2010. Gross margin, as a percentage of revenues, amounted to 41.1% in the first quarter 2011, compared to 47% in the first quarter 2010. This decline, despite the increase in revenues, is due to the different sales mix and, in particular, to the drastic reduction in LCD turnover that adversely affects the profitability of the entire Group. In fact, if we compare the quarter just ended with the fourth quarter 2010, characterized by a comparable product mix, the gross margin increased from 38.1% to 41.1%.

If we include in the turnover also the revenues from royalties for MEMS (currently included in the item “other income”), the gross margin for the quarter should rise to 42.1%, compared to 39.1% in the last quarter 2010.

Total **consolidated operating expenses** amounted to €12.7 million (32.9% of revenues), unchanged in absolute terms compared to the corresponding quarter 2010, but decreased as a percentage of revenues (39.9% of revenues in the first quarter 2010). The increase in selling expenses (+€0.8 million), related to the growth of revenues, was offset by lower general and administrative expenses.

Consolidated operating income for the quarter was positive and amounted to €3.7 million, an increase of 68.9% compared to €2.2 million in the corresponding period of last year. As a percentage of turnover, operating margin was equal to 9.7%, compared to 7% in 2010.

Operating income turned to be positive and on the increase, due both to increasing revenues and to the royalties for MEMS, excluding which operating income would have been equal to €3.1 million (8% of consolidated sales).

Consolidated EBITDA was equal to €6.5 million in the first quarter 2011, compared to €5.2 million in the corresponding quarter 2010. As a percentage of revenues, EBITDA was equal to 16.8% in first quarter 2011, essentially unchanged from 2010 (16.4%).

The balance of other net income (expenses) was a positive €0.6 million against a slightly negative net balance equal to -€0.05 million in 2010. The increase is mainly explained by the royalties accrued during the quarter related to the licensing of the thin film getter technology, patented by SAES, for MEMS of new generation.

The net balance of financial income (expenses) was a negative €0.3 million, compared to a negative figure equal to €0.4 million in the first quarter 2010. This item mainly includes interests on loans to the American companies and the effect on the income statement of the evaluation at fair value of Interest Rate Swaps (IRS) subscribed by those companies.

In the first quarter 2011, the sum of the exchange rate differences shows a balance essentially equal to zero (€0.05 million). Instead, in the corresponding period of last year, the exchange rate differences were negative and equal to -€0.4 million and mainly included foreign exchange losses arising from the translation of cash and cash pooling financial receivables denominated in euro of the foreign subsidiaries, as a result of the appreciation of local currencies (particularly the Korean won and the U.S. dollar) compared to the final exchange rate of the euro at the end of 2009, the currency of reference of such deposits.

Starting from the second half of the year, the Group has, on one hand, reduced the financial exposure of the Parent Company towards its foreign affiliates and, on the other, it has integrated its hedging policy by subscribing forward sale contracts on euro, with the aim of limiting unrealized exchange losses arising from the translation of financial receivables and payables in currencies other than that used in the financial statements. This hedging policy, aiming to limit the impact of the exchange rate volatility on the income statement, has continued also during the first quarter 2011, allowing to close the period with exchange rate differences essentially in balance.

Pre-tax income was positive and equal to €3.5 million, compared to €1.4 million in the first quarter 2010.

Income taxes for the quarter amounted to €2.1 million, compared to €1.2 million in the corresponding quarter of the previous year. The Group tax rate decreased from 84.6% to 59.6%; the importance of taxes in percentage terms in the first quarter 2010 was mainly explained by the non-recognition of deferred tax assets on tax losses of some companies of the Group that were not considered to be recoverable. Instead, in the first quarter 2011, tax losses significantly decreased following the further recovery in the production activities.

Consolidated net income was equal to €1.4 million (3.7% of consolidated revenues) in the first quarter 2011, with a strong increase (+204%) compared to a net income of €0.5 million in first quarter 2010 (1.5% of consolidated revenues).

In this quarter, net income per ordinary share and per savings share was equal to €0.0266 and €0.1385 respectively; in the corresponding period of last year, earning per savings share was equal to €0.0630, while there were no earnings per ordinary share.

The **consolidated net financial position** as at March 31, 2011 was negative and equal to -€25.8 million (cash of €16.1 million against financial liabilities equal to €41.9 million), and it compares with a negative net financial position equal to € 24.2 million as at December 31, 2010 (consisting of cash amounting to €20.6 million and financial liabilities equal to €44.8 million)⁴.

The worsening compared to December 31, 2010 (-€1.6 million) is mainly attributable to investments in tangible assets (equal to €1.3 million). As far as the cash flow generated by operating activities is concerned, the deterioration of net working capital (in particular, an increase in trade receivables), resulting from a business increase, especially in the semiconductors sector, has completely absorbed the liquidity generated by the self-financing (€5.7 million).

The exchange rate effect was positive (about €1.4 million).

Events subsequent to the end of the period and business performance outlook

In order to manage the economical impact generated by the fluctuations in exchange rates, primarily EUR/USD and EUR/JPY, the Group enters into hedges on current and future receivables related to the sales transaction denominated in currencies other than the euro of the main Group Italian companies.

Particularly, as at March 31, 2011 the Group enters into forward contracts on the Japanese yen. The average forward rate for contracts on the Japanese yen (which have a total notional value of JPY 315 million) is JPY 112.59 to the euro. These contracts will extend throughout 2011. There are no forward agreements on US dollars outstanding as at March 31, 2011.

After March 31, 2011 no further hedging transactions have been entered into.

On April 2011 SAES Getters International Luxembourg S.A. obtained the approval from the Chinese Administrative Authorities to finalize the transfer of its shareholding (51% of the total shares) in the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. to the Chinese minority shareholders Nanjing Huadong Electronics Information Technology Co., Ltd. ("Huadong") and Nanjing DingJiu Electronics Co., Ltd. ("DingJiu").

The agreement, in addition to the sale of the stake for a symbolic transfer price equal to 2 Chinese Renminbis, included also the payment by SAES Getters International Luxembourg S.A. of a sum

⁴ This figure does not include the cash of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. held for sale (for further details see the section "Subsequent Events"). Considering also the share of the Group in the cash of the Chinese joint venture, the net financial position is negative and equal to €24.3 million, compared with a negative value equal to -€22.6 million as at December 31, 2010.

equal to RMB 30 million (€ 3.4 million) to be distributed to the minority shareholders in proportion to their shareholdings, to honour the contractual obligation already accrued in the 2009 financial statements.

The disbursement, as announced in the 2010 financial statements, was already paid in cash on December 1, 2010.

The Chinese joint venture, already established in August 2006, worked in the production and distribution of components for LCD displays and other industrial applications. The sale of its stake by SAES Getters is part of the plan to rationalize non-strategic investments, resulting from the strong changes occurred in some sectors and markets of reference. After the completion of the agreement, SAES Getters does not hold any more stake in Nanjing SAES Huadong Vacuum Material Co., Ltd. and all the commitments and agreements, including the trading ones, signed for the duration of the joint venture, have ceased to be valid.

SAES Getters Group will continue to operate in China through its 100% owned subsidiary SAES Getters (Nanjing) Co., Ltd.

In the coming months we expect a substantial stability in all the businesses, with an area of uncertainty related to exchange rate volatility, particularly the U.S. dollar.

The Officer Responsible for the preparation of corporate financial reports of SAES Getters S.p.A. certifies that, in accordance with the second subsection of article 154-*bis*, part IV, title III, second paragraph, section V-*bis*, of Legislative Decree February 24, 1998, no. 58, the financial information included in the present document corresponds to book of account and book-keeping entries.

The Officer Responsible for the preparation of corporate financial reports
Michele Di Marco

Lainate, Milan - Italy, May 12, 2011

On behalf of the Board of Directors
Dr Ing. Massimo della Porta
President