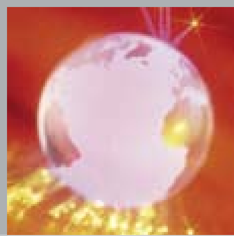
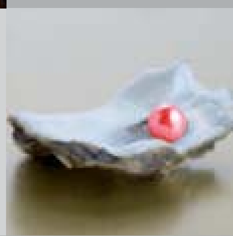




Consolidated Financial Statements 2007

SAES Getters S.p.A.

Capital Stock of € 12,220,000 fully paid-in

Corporate Headquarters:
Viale Italia, 77 - 20020 Lainate (Milan), ITALY

Registered with the Milan Court
Companies Register no. 00774910152

Structure of the Group as of December 31, 2007

saes getters

100%
SAES Getters USA, Inc.
Colorado Springs, CO (USA)

100%
SAES Opto S.r.l.
Lainate, MI (Italy)

100%
SAES Advanced Technologies S.p.A.
Avezzano, AQ (Italy)

50%
Dr. -Ing. Mertmann Memory-Metalle GmbH
Weil am Rhein (Germany)

100%
SAES Getters (GB) Ltd.
Daventry (Great Britain)

100%
SAES Getters (Deutschland) GmbH
Cologne (Germany)

0,08%

52%
SAES Opto Components S.r.l.
Lainate, MI (Italy)

100%
SAES Pure Gas, Inc.
San Luis Obispo, CA (USA)

90%
SAES Opto Materials S.r.l.
Cagliari (Italy)

SAES Getters S.p.A.

- 99,92% — **SAES Getters International Luxembourg S.A.** Luxembourg (Luxembourg)
  - 62,52% — **SAES Getters Korea Corporation** Seoul (South Korea)
  - 100% — **SAES Getters Technical Service (Shanghai) Co., Ltd.** Shanghai (P.R. of China)
  - 100% — **SAES Getters America, Inc.** Cleveland, OH (USA)
  - 51% — **Nanjing SAES Huadong Vacuum Material Co., Ltd.** Nanjing (P.R. of China)
  - 100% — **SAES Smart Materials, Inc.** New York, NY (USA)
- 37,48% — **SAES Getters Korea Corporation** Seoul (South Korea)
- 100% — **SAES Getters (Nanjing) Co., Ltd.** Nanjing (P.R. of China)
- 100% — **SAES Getters Japan Co., Ltd.** Tokyo (Japan)
- **Shanghai Representative Office** Shanghai (P.R. of China)
- **Taiwan Branch Office** Jhubei (Taiwan)
- **Moscow Representative Office** Moscow (Russia)
- 100% — **SAES Getters Singapore PTE, Ltd.** Singapore (Singapore)

Board of Directors

Chairman and President	Paolo della Porta
Vice President and Managing Director	Massimo della Porta
Managing Director	Giulio Canale
Directors	Stefano Baldi (1) (2) Roberto Berger (2) (5) Evelina Christillin (2) Giuseppe della Porta (2) Adriano De Maio (1) (3) (4) Andrea Dogliotti (2) Andrea Gilardoni (2) Giuseppe Rolando (2) (3) Andrea Sironi (1) (4) Gianluca Spinola (2) Renato Ugo (3) (4) (6)

(1) Members of the Compensation Committee. Andrea Sironi in place of Giuseppe della Porta starting from July 26, 2007
(2) Non-executive directors
(3) Members of the Audit Committee
(4) Independent directors
(5) Pietro Mazzola in place of Roberto Berger starting from February 13, 2008
(6) Lead Independent Director

Board of Statutory Auditors

Chairman	Vincenzo Donnamaria
Statutory Auditors	Maurizio Civardi Alessandro Martinelli
Alternate Statutory Auditors	Piero Angelo Bottino Fabio Egidi (1)

Audit Firm

Reconta Ernst & Young S.p.A.

(1) Fabio Egidi in place of Andrea Patarnello starting from May 9, 2007

The term of office of the Board of Directors and of the Board of Statutory Auditors, elected on April 27, 2006, expires at the Shareholders' Meeting in which the financial statements for the year ended December 31, 2008 are approved.

Powers

Pursuant to Article 20 of the Articles of Association, the Chairman, Vice President and Managing Directors are jointly and each of them severally entrusted with the legal representation of the Company, for the execution of Board of Directors' resolutions, within the limits of and to exercise the powers attributed to them by the Board itself.

By mean of the resolution adopted on April 27, 2006, the Board of Directors granted the President, the Vice-President and Managing Director and the Managing Director the powers of ordinary and extraordinary administration, with the exception of the powers strictly reserved to the competence of the Board or of those powers reserved by law to the Shareholders' Meetings.

The Vice-President and Managing Director Massimo della Porta is also Chief Executive Officer of the Group.
The Managing Director Giulio Canale is also Deputy Chief Executive Officer of the Group.

Index

Letter to Shareholders

Dear Shareholders,

The Company achieved highly satisfactory results in 2007.
Despite ongoing extreme tension on the currency market, which penalizes companies that, like our own, operate on a global scale, we managed to hold our market positions and confirm the excellent operating results we had achieved in previous years. Attention should be drawn in particular to the increased sales of our products for LCD and the positive performances of the Electronic Devices and Semiconductors Business Areas, which more than offset the sharp reduction in net sales of getters for cathode-ray tubes.

We attach particular importance to stressing our commitment to growth through both organic and non-organic lines, which has begun to produce its first results. The sales of new products in the Advanced Materials Business Development Unit nearly doubled and we have substantially finalized two important acquisitions formalized at the beginning of 2008.

The first, of the SMA division acquired from Special Metals Corporation, will project us into a position of leadership in the growing shape-memory alloy market, which we expect will prove highly rewarding. The business unit we have acquired, which brings with it leadership in medical applications developed over the years, boasts a large portfolio of alloys and semi-finished products and considerable production capacity. This business integrate perfectly with those in which we have engaged so far in the industrial sector and will accelerate its development.

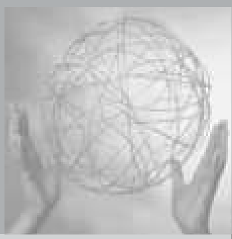
The second acquisition, of the California-based Spectra-Mat Inc., which was formalized at the end of February 2008, provides an expansion of the product portfolio of the Industrial Applications Business Unit, which has always been the company's core business and a driver of innovation, as well as to that of the Advanced Materials Business Development Unit. The company leads the market in several application niches and has shown a considerable capacity to innovate.

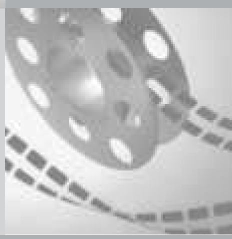
These two acquisitions further strengthen the presence of SAES® Getters in the USA, a country that has always been at the centre of technological and scientific development.

These are the first steps of the growth strategy announced in previous years and planned to further develop in coming years.

The entrepreneurial challenge has been enthusiastically welcomed by the Group, which has responded with its usual strong team spirit.

Dr Ing. Massimo della Porta
Vice-President, Managing Director
and Group CEO





saes getters

Group financial highlights

Group financial highlights

(thousands of euro)

Income statement data	Year 2007	Year 2006***	Difference	Difference %
NET SALES				
- Information Displays	108,682	110,210	(1,528)	-1.4%
- Industrial Applications	55,526	54,562	964	1.8%
- Advanced Materials	3,020	1,948	1,072	55.0%
Total	**167,228**	**166,720**	**508**	**0.3%**
EBITDA*	**65,714**	**65,550**	**164**	**0.3%**
% on sales	39.3%	39.3%		
OPERATING INCOME (LOSS)				
- Information Displays	49,817	58,589	(8,772)	-15.0%
- Industrial Applications	14,974	9,442	5,532	58.6%
- Advanced Materials & Corporate Costs	(15,740)	(13,503)	(2,237)	16.6%
Total	**49,051**	**54,528**	**(5,477)**	**-10.0%**
% on sales	29.3%	32.7%		
NET INCOME	**34,869**	**31,391**	**3,478**	**11.1%**
% on sales	20.9%	18.8%		

Balance sheet and financial data	December 31, 2007	December 31, 2006***	Difference	Difference %
Property, plant and equipment, net	60,317	61,625	(1,308)	-2.1%
Shareholders' equity	146,805	169,055	(22,250)	-13.2%
Net financial position	69,123	91,346	(22,223)	-24.3%

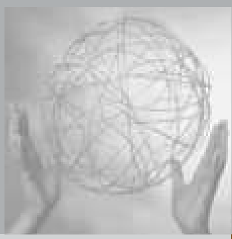
Other information	Year 2007	Year 2006***	Difference	Difference %
Cash flow from operating activities	44,018	56,705	(12,687)	-22.4%
Research & development expenses	17,752	15,476	2,276	14.7%
Number of employees as at December 31**	937	902	35	3.9%
Personnel cost	42,908	42,877	31	0.1%
Purchase of property, plant and equipment	12,017	10,883	1,134	10.4%

* EBITDA is not deemed a measure of performance under International Financial Reporting Standards (IFRS) and must not be construed as an alternative indicator of the Group's operations. 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 operating income plus depreciation and amortisation of non-current assets.

** This figure includes personnel employed by Italian Group companies with contract types other than salaried employment agreements.

*** Comparative data have been restated and a different accounting methodology applied, compared to those used in the 2006 Consolidated Financial Statements with reference to:
- the composition of 2006 operating income, as some costs have been reclassified according to the presentation criteria adopted in the current period, which reflect a better destination on the basis of more appropriate drivers;
- balance sheet and income statement items, modified without changing the net result and the shareholders equity in order to show the effect of applying the proportionate consolidation method to the jointly controlled entities Dr. -Ing. Mertmann Memory-Metalle GmbH (50% shareholding acquired in May 2006) and Nanjing SAES Huadong Vacuum Material Co., Ltd. (51% shareholding acquired in September 2006). The above mentioned companies were included into the scope of consolidation in the prior year according to the equity method.

For futher details, refer to Note No. 2.



Information on the management of the SAES Getters Group

Information on the management of the SAES Getters Group

A pioneer in the development of getter technology, the SAES Getters Group leads the world in a wide range of scientific and industrial applications that require high vacuum conditions and ultra-pure gases. In over 60 years of operation, the Group's getter solutions have powered technological innovation in sectors including information display and illumination, complex high-vacuum systems, and thermal-vacuum isolation, drawing on technologies ranging from large vacuum power tubes to miniaturized devices such as microelectronic and micromechanical systems mounted on silicon wafers. The Group also leads the market in the ultra-pure gas purification systems for the semiconductor industry and other high-tech industries.
Since 2004, drawing on the skills it has acquired in special metallurgy and materials science, the SAES Getters Group has been expanding its sectors of operation to include the advanced materials market through the introduction of new product lines such as optical crystals and shape memory alloys.
With an overall production capacity spread out over ten facilities on three continents, a commercial and technical support network with worldwide coverage, and approximately 900 employees, the Group brings together multicultural skills and experience, making it a global firm in the full sense of the term.
The executive offices of SAES Getters are situated in the outskirts of Milan.
SAES Getters has been listed on the STAR Segment of the Italian Electronic Stock Exchange ("*Mercato Telematico Azionario*") since 1986.
The Group's organizational structure consists of two Business Units (Information Displays and Industrial Applications) and one Business Development Unit (Advanced Materials). Furthermore, partly as a result of the introduction of the new IFRS accounting standards, corporate costs and research and development costs geared towards diversification in the area of advanced materials (Advanced Materials Business Development Unit) are disclosed separately from the two Business Units, Information Displays and Industrial Applications.

The organizational structure based on Business Units and Business Areas is shown in the following table:

Information Displays Business Unit	
Flat Panel Displays	Getters and metal dispensers for flat panel displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
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 getters for thermal insulated devices
Semiconductors	Gas purifier systems for the semiconductor industry and other industries
Advanced Materials Business Development Unit	
Advanced Materials	Getters for microelectronic and micromechanical systems, optical crystals, shape memory alloys

Information Displays Business Unit

Flat Panel Displays Business Area
For the television set, monitor and flat panel display industry, SAES Getters develops innovative technologies that are considered strategic for maintaining the vacuum and

for absorbing harmful gases, thereby allowing for improved efficiency and longer lifespan of displays. The Business Area in question offers support for many of the most advanced developments in the flat panels industry, including LCD screen backlighting devices, Field Emission Displays (FED), and Organic Light Emitting Diode (OLED) displays.

Cathode Ray Tubes Business Area
SAES Getters is the world leader in the production and supply of getters used to maintain vacuum conditions in cathode ray tubes for colour televisions and monitors. SAES Getters guarantees the satisfaction of its customers with a product range that combines technology, quality and services and offers the market reliable and cost-effective solutions.

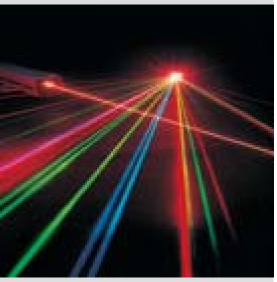
Industrial Applications Business Unit

Lamps Business Area
SAES Getters is the world leader in the supply of getters and metal dispensers for lamps. Its innovative and high-quality products work by preserving the vacuum and the purity of the refill gases, thereby maintaining optimum lamp operation conditions over time.
SAES Getters has also been involved for years in the development of mercury dispensers with a low environmental impact, in line with the stricter international legislation in force in this area.

Electronic Devices Business Area
The Electronic Devices Business Area provides advanced technological solutions to a wide range of markets, including the aeronautical, medical, industrial, security and defence sectors. The products developed are able to satisfy the most stringent application requirements in terms of the high quality of the guaranteed vacuum and are employed in various devices such as night vision devices, infrared seeking devices, X-ray tubes and laser gyroscopes. The Electronic Devices Business Area includes getter solutions for vacuum thermal insulation for solar collectors.

Vacuum Systems & Vacuum Thermal Insulation Business Area
The expertise that has been gained in vacuum technology, degassing, permeation and gettering properties of materials has served to boost the development of vacuum pumps based on non-evaporable getter materials (NEGs) and a proprietary technology for vacuum thermal insulation. NEG pumps are used in both industrial and scientific applications including analytical instruments, vacuum systems and particle accelerators. SAES Getters solutions for vacuum thermal insulation include NEG products for cryogenic applications and vacuum flasks, as well as vacuum insulating panels whose main use is for refrigerated transport containers.

Semiconductors Business Area
The mission of this Business Area is to develop and sell advanced gas purification systems for the semiconductor industry and for high-tech industries. Through the subsidiary SAES Pure Gas, the Group offers a full range of purifiers for bulk gases and special gases as well as vacuum pumps that can be used directly inside process rooms. The range of SAES Getters purifiers, which covers the full spectrum of flows required and all gases normally used in the processes involving the production of semiconductors, represents the market standard as regards the technology used, the totality of impurities removed and the lifespan of the purifiers.



Advanced Materials Business Development Unit

Getters per MEMS
In order to support adequately the growing trend for smaller microelectronic and microelectromechanic devices, SAES Getters has developed solutions that involve the use of thin film getters, measuring just a few microns thick, that can be deposited on various substrates in a wide variety of forms. By maintaining the vacuum or inert gas purity conditions present inside application devices, thin film getters ensure optimum functioning, improved performance and significantly increased life span.

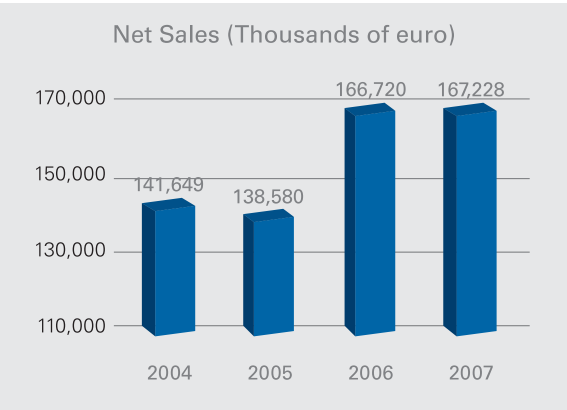
Shape Memory Alloys (SMA)
From raw materials, SAES Getters produces shape memory alloy components, a family of advanced materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. The SAES Getters production process, integrated vertically, allows for complete flexibility in the supply of the products, together with total quality control.

Optoelectronic Materials
The product line includes advanced optical crystals for the electronic devices, industrial lasers, and scintillator markets. In this area, SAES Getters aims to offer its customers a competitive advantage by supplying high added-value photonic material, guaranteed by full control of the techniques for growing monocrystals and their manufacture and characterization processes.

Following the entry into force of EC Regulation No. 1606/2002, the SAES Getters Group has adopted International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) as from January 1, 2005. The 2007 Financial Statements have been prepared according to these standards.

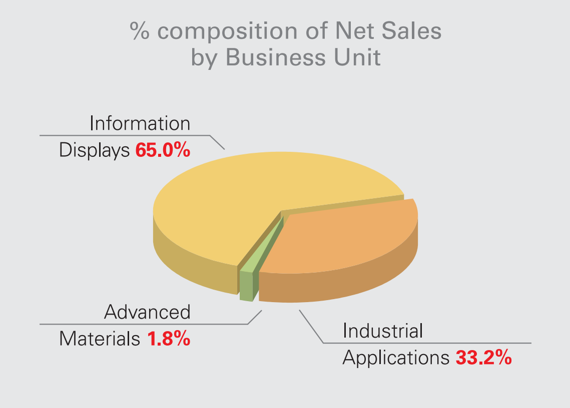
Sales and income for the year ended December 31, 2007

With respect to the previous year include an improved sales mix, the constant growth of sales of mercury dispensers used in cold-cathode fluorescent lamps for liquid-crystal display backlighting (Flat Panel Displays Business Area), and progress achieved in the sales of the Advanced Materials Business Development Unit, partly offset by the decrease in sales of the Cathode Ray Tubes Business Area due to the high degree of maturity of the traditional cathode-tube market.



The gross profit was down, penalized by the persistent negative impact of the exchange-rate effect, non-recurring costs related to the CRT business, write-downs (to production lines, intangible assets, and a research project no longer deemed strategic), and legal and consulting costs pertaining to special projects.
Financial year 2007 benefited from improved financial operations and the positive impact of the measurement of hedging derivatives, which offset the decline of gross profit and the increase in operating expenses.

Consolidated net sales came to € 167,228 thousand in 2007, up by 0.3% on 2006, despite a significant negative exchange-rate effect (-6.8%), due to the strengthening of the euro against the other main currencies, particularly the U.S. dollar and the Japanese yen. We report that the Group entered into derivate hedging contracts; for further details, the reader is referred to Notes Nos. 7, 9, and 23.



The table below gives a breakdown of 2007 and 2006 net sales according to Business Unit and Business Area. We report that net sales of getters for solar collectors, previously included in the Vacuum Systems and Thermal Insulation Business Area, were allocated to the Electronic Devices Business Area in 2007; the 2006 figures have consequently been reclassified to allow for a consistent basis of comparison.

(thousands of euro)

Business Unit and Business Area	2007	2006	Total difference	Total difference %	Price Quantity/ effect %	Exchange rate/ effect %
Flat Panel Displays	90,259	81,058	9,201	11.4%	19.5%	-8.1%
Cathode Ray Tubes	18,423	29,152	(10,729)	-36.8%	-31.4%	-5.4%
Subtotal Information Displays	**108,682**	**110,210**	**(1,528)**	**-1.4%**	**5.9%**	**-7.3%**
Lamps	11,177	13,050	(1,873)	-14.4%	-10.7%	-3.7%
Electronic Devices	17,143	15,153	1,990	13.1%	17.9%	-4.8%
Vacuum Systems and Thermal Insulation	4,311	6,390	(2,079)	-32.5%	-27.0%	-5.5%
Semiconductors	22,895	19,969	2,926	14.7%	23.0%	-8.3%
Subtotal Industrial Applications	**55,526**	**54,562**	**964**	**1.8%**	**7.7%**	**-5.9%**
Subtotal Advanced Materials	3,020	1,948	1,072	55.0%	58.0%	-3.0%
Total Net Sales	**167,228**	**166,720**	**508**	**0.3%**	**7.1%**	**-6.8%**

Net sales in the **Information Displays Business Unit** totalled € 108,682 thousand, a decrease of € 1,528 thousand (-1.4%) on 2006. Currency trends produced a negative exchange rate effect of 7.3%.

Net sales in the *Flat Panel Displays Business Area* were € 90,259 thousand, an increase (+11.4%) on the € 81,058 thousand recorded in 2006, owing to higher sales of mercury dispensers used in cold cathode fluorescent lamps for liquid crystal display backlighting.

The *Cathode Ray Tubes Business* Area achieved net sales of € 18,423 thousand, down by 36.8% on the figure of € 29,152 thousand recorded in 2006, owing to the maturity of the cathode ray tubes market.

Net sales in the **Industrial Applications Business Unit** totalled € 55,526 thousand, up by € 964 thousand (1.8%) on 2006. The strengthening of the euro against the major foreign currencies produced a negative exchange rate effect of 5.9%.

Net sales in the *Lamps Business Area* came to € 11,177 thousand, down by 14.4% on the € 13,050 recorded in 2006, penalized by the negative impact of exchange rates (-3.7%) and the temporary slowdown of the large fluorescent lamp market.

Net sales in the *Electronic Devices Business Area* were € 17,143 thousand in 2007, a 13.1% increase on 2006, driven by higher sales of getters for solar collectors and porous getters for military applications.

Net sales in the *Vacuum Systems and Thermal Insulations Business Area* stood at € 4,311 thousand in 2007, down by 32.5% on the € 6,390 thousand posted in 2006. The decrease was primarily due to the decline in sales of pumps for vacuum systems and vacuum isolation panels used as containers for refrigerated transport.

Net sales in the *Semiconductors Business Area* were € 22,895 thousand in 2007, up by 14.7% on the figure of € 19,969 thousand recorded in 2006 due to higher sales of gas purifiers.

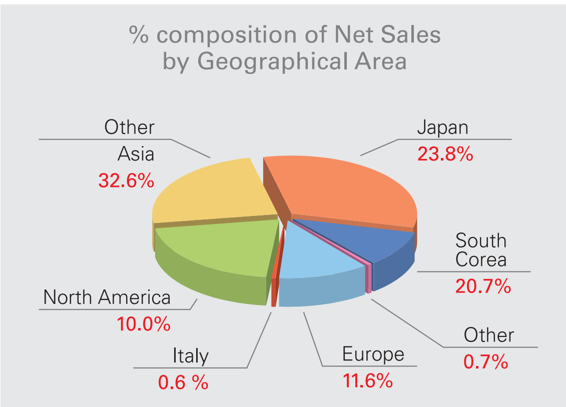
Net sales in the **Advanced Materials Business Development Unit** totalled € 3,020 thousand in 2007, up sharply from € 1,948 thousand in 2006, owing to sales of getters for MEMS applications and shape-memory alloys (SMAs).

A breakdown is given below of net sales by geographical location of customers.

(thousands of euro)

Geographic Area	2007	%	2006	%	Difference	%
Italy	1,069	0.6%	1,013	0.6%	56	5.5%
Other EU and Europe	19,343	11.6%	20,055	12.0%	(712)	-3.6%
North America	16,773	10.0%	17,996	10.8%	(1,223)	-6.8%
Japan	39,726	23.8%	41,631	25.0%	(1,905)	-4.6%
South Korea	34,584	20.7%	34,317	20.6%	267	0.8%
Other Asia	54,559	32.6%	49,294	29.5%	5,265	10.7%
Other	1,174	0.7%	2,414	1.4%	(1,240)	-51.4%
Total Net Sales	**167,228**	**100.0%**	**166,720**	**100.0%**	**508**	**0.3%**

The breakdown of net sales by geographical area in 2007 shows significant, offsetting changes in figures per area with respect to 2006. There was a considerable increase in the Other Asia area, due to increased sales of mercury dispensers used in cold-cathode fluorescent lamps, partly offset by the decrease in sales in the traditional cathode-tube market. Sales were down in North America, primarily due to the effect of lesser sales in the Cathode Ray Tubes Business Area, as well as on the Japanese market, where there was a decline in sales in the Flat Panel Displays and Lamps Business Area.



The Group recorded a net income of € 34,869 thousand, compared with a net income of € 31,391 thousand in the previous year. Financial year 2007 benefited from improved financial operations, the positive impact of the measurement of hedging derivatives, and a decrease in the effective tax rate, which offset the decline of gross profit and the increase in operating expenses. We report that the 2006 figures incorporated increased restructuring costs.

Consolidated **gross profit** was € 102,497 thousand in 2007 compared with € 108,354 thousand in 2006. Expressed as a percentage of net sales, gross profit declined from 65% in 2006 to 61.3% in 2007, despite increased net sales and a better sales mix, due to the impact of non-recurring costs pertaining to the **Information Displays Business Unit** and the **Advanced Materials Business Development Unit** (the reader is referred to the pertinent sections for further details). Gross profit was also penalized by negative exchange-rate trends.

The following table shows gross profit for 2007 and 2006 according to Business Unit:

(thousands of euro)

	2007	2006	Difference	%
Information Displays	75,331	82,772	(7,441)	-9.0%
Industrial Applications	27,974	25,619	2,355	9.2%
Advanced Materials & Corporate Costs	(808)	(37)	(771)	2083.8%
Gross Profit	**102,497**	**108,354**	**(5,857)**	**-5.4%**

Gross profit of the **Information Displays Business Unit** came to € 75,331 thousand in 2007, down from the € 82,772 thousand recorded in 2006.
In addition to the decline in net sales, which were penalized by the negative exchange-rate effect, the above decrease was due to significant non-recurring costs related to the write-down of residual goodwill on the acquisition in 2006 of a 35% equity investment in SAES Getters (Nanjing) Co., Ltd. (€ 804 thousand), the write-down of the customer list relating to the same transaction (€ 1,173 thousand), the write-down of non-strategic production lines at the Lainate facility (€ 1,370 thousand), as well as restructuring costs related to the CRT business (€ 1,471 thousand). On the other hand, there was an improvement in the sales mix.

Gross profit in the **Industrial Application Business Unit** was € 27,974 thousand in 2007, an improvement on the figure of € 25,619 thousand recorded in 2006. The rise is attributable to the increase in net sales and to a more favourable sales mix.

Gross loss in the **Advanced Materials Business Development Unit** came to € 808 thousand, up from € 37 thousand in 2006. This decline, despite the increase in net sales, was primarily due to the write-down of production equipment at the Avezzano facility (€ 457 thousand) used in the processing of shape-memory alloys, which are to be integrated into the SAES Smart Materials, Inc. facility.

Consolidated EBITDA was € 65,714 thousand in 2007 compared with € 65,550 thousand in 2006. Expressed as a percentage of net sales, EBITDA was 39.3% in 2007, in line with 2006.

Consolidated operating income was € 49,051 thousand in 2007, down from € 54,528 thousand in 2006. The decrease was due to the decline in gross profit and the increase in operating expenses, which include non-recurring costs (the reader is referred to subsequent sections for details of these costs). The 2006 figures, on the other hand, incorporated greater non-recurring restructuring costs.

The following table shows operating income for 2007 and 2006 according to Business Unit:

(thousands of euro)

	2007	2006	Difference	%
Information Displays	49,817	58,589	(8,772)	-15.0%
Industrial Applications	14,974	9,442	5,532	58.6%
Advanced Materials & Corporate Costs	(15,740)	(13,503)	(2,237)	16.6%
Operting income	**49,051**	**54,528**	**(5,477)**	**-10.0%**

Operating income in the **Information Displays Business Unit** was € 49,817 thousand in 2007, down from € 58,589 thousand in 2006. The decrease is attributable to the decline in gross profit described above and the increase in operating expenses. This increase was concentrated in research and development expenses (higher personnel and dedicated resource costs and non-recurring costs for the write-down of a research project in an area no longer deemed strategic – € 452 thousand) and general and administrative expenses (increased personnel and consulting costs, in addition to widespread increases in various cost areas). We report that the 2006 figures incorporated greater non-recurring restructuring costs.

Operating income **Industrial Applications Business Unit** was € 14,974 thousand in 2007, up from € 9,442 thousand in 2006. The rise in operating income may be attributed to the increase in gross profit described above and the fall in operating expenses. This decrease was spread across all operating expense items and was due to the reduction of various costs, the most significant of which include personnel costs.

The operating loss in the item **Advanced Materials & Corporate Costs** includes both the income of the Advanced Materials Business Development Unit and corporate structural costs. The increased loss with respect to 2006 was primarily due to greater general and administrative expenses (which include € 1,177 thousand in non-recurring legal and consulting costs) and research and development expenses (which include € 319 thousand in non-recurring write-downs of machinery and licenses no longer in use), in addition to the decrease in gross profit described above.

The total cost of labour came to € 42,908 thousand, in line with the € 42,877 thousand recorded in 2006, consistent with the trend for the average number of salaried employees, gross of the effect of the extraordinary redundancy fund (C.I.G.S.), which was substantially in line with 2006.
We report that the cost of labour for the year was decreased by € 713 thousand in income resulting from the recalculation of the defined-benefit plans of the Italian companies in application of IAS 19 following the entry into force of the 2007 Finance

Law and associated implementation decrees. For further details, refer to Note No. 30. Research and development expenses, entirely charged to income as they do not meet the criteria laid down in IAS 38 for mandatory capitalization, totalled € 17,752 thousand (10.6% of consolidated net sales) compared with € 15,476 thousand in 2006 (9.2% of consolidated net sales).

In 2006, the item "Restructuring costs" included an accrual of € 4,000 thousand for the process of rationalizing and reorganizing production activities for the Cathode Ray Tubes Business Area.

The item "Other income (expenses), net" totalled positive € 959 thousand compared with a net income of € 673 thousand in 2006.
The net balance of financial income (expenses) was € 2,572 thousand compared with € 1,355 thousand in the same period of 2006. In particular, financial income totalled € 3,294 thousand, up from the figure of € 2,257 thousand posted in 2006, due to the increase in the average interest rate earned on invested liquidity and the improved management of said liquidity through the use of cash pooling.
Financial expenses totalled € 722 thousand compared with € 902 thousand in 2006. We report that this item includes costs defined in contractual agreements entered into with third-party shareholders concurrent with the acquisition of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., under which said third-party shareholders are entitled to a fixed annual dividend. To account for this clause, which results in a share of the company's results that diverges from the Group's ownership, € 308 thousand in financial expenses were charged to income in 2007, compared with € 189 thousand in 2006.

In 2006 the item "Income (Expenses)" from disposal groups and discontinued operations included the redefinition of the *fair value* of non-current assets held for disposal of the subsidiary SAES Getters Technical Service (Shanghai) Co., Ltd., whereas in 2007 the item includes the effect of the greater capital gain effectively realized on the disposal of said assets in 2007 with respect to the income recorded in 2006.

The algebraic sum of exchange differences in 2007 came to a positive balance of € 5,276 thousand, compared to a negative balance of € 2,100 thousand in 2006. We report that the 2007 figure includes € 2,357 thousand in income on the *fair value* measurement of derivative instruments recognized on the income statement (in 2006 derivative instruments were accounted for using the cash-flow hedge method).

Particular attention was placed on managing exchange rate risk in order to protect the Group's margins against fluctuations in exchange rates. To this end, transactions were carried out in 2007 to hedge against the risk of exchange rate fluctuations. In detail, contracts were entered into in 2007 to hedge trade receivables in U.S. dollars for a total nominal amount of $40,980 thousand, and to hedge trade receivables in Japanese yen for a total nominal amount of JPY 3,365,000 thousand.

Income taxes totalled € 22,509 thousand compared with € 22,890 thousand in 2006. The effective tax rate fell from 42.17% in 2006 to 39.25% in the year to December 31, 2007 due to the lesser impact of accruals for taxes due in the event of the distribution of profits and the reserves of subsidiaries (further favoured by the decrease in the Ires tax rate to 27.5%), due to the improved sales mix by company/country and the benefit of the recognition of deferred tax assets generated by carrying forward tax losses from previous years by SAES Getters America, Inc., partly offset by the negative impact of consolidation adjustments. This effect was due to several consolidation adjustments, which had a negative impact on EBIT, without generating the correlated tax effect (the elimination of dividends and the write-down of goodwill and intangible assets emerging exclusively on consolidation, to name a few), resulting in an increase in the effective tax rate.

Consolidated net income in 2007 was € 34,869 thousand, compared with € 31,391 thousand in the previous year, and represents 20.9% of consolidated net sales (18.8% in 2006).
Net income for the period includes depreciation of property, plant and equipment and amortization of intangible assets in a total amount of € 11,616 thousand (€ 10,883 thousand in 2006).

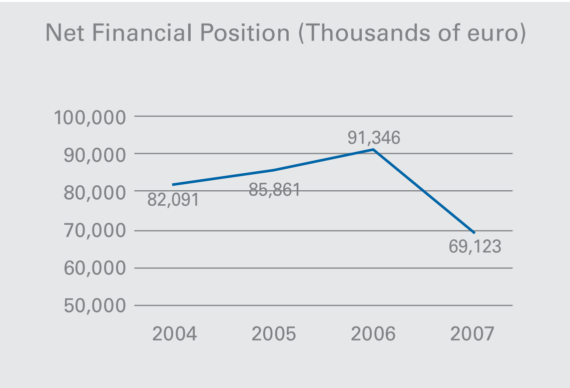
The consolidated financial statements and the respective Explanatory Notes included in this 2007 report were audited by the firm Reconta Ernst & Young S.p.A.

Financial position - Investments - Other information

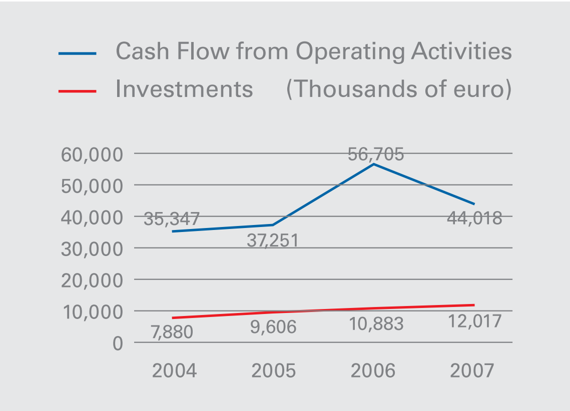
A breakdown is given below of the items making up the consolidated net financial position.

(thousands of euro)

	December 31, 2007	December 31, 2006
Cash on hand	10	28
Cash equivalents	70,655	94,893
Cash and cash equivalents	**70,665**	**94,921**
Current financial assets	**1,769**	**388**
Bank overdraft	184	77
Current portion of long term debt	857	839
Other current financial liabilities	0	0
Current financial liabilities	**1,041**	**916**
Current net financial position	**71,393**	**94,393**
Long term debt, net of current portion	2,270	3,047
Non current financial liabilities	**2,270**	**3,047**
Net financial position	**69,123**	**91,346**



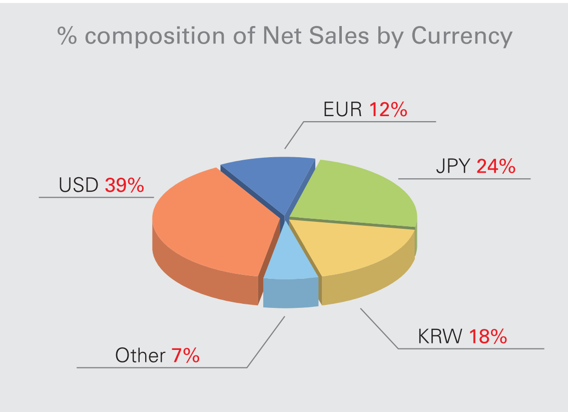
At December 31, 2007, the **financial position** shows a positive balance of € 69,123 thousand, comprising € 70,665 thousand in cash equivalents, € 1,769 thousand in current financial assets, and € 3,311 thousand in current financial liabilities, compared to a positive balance of € 91,346 thousand at December 31, 2006. The decrease on December 31, 2006 was mainly due to expenditures to pay dividends and a 2007 interim dividend (€ 43,821 thousand), the purchase of treasury shares (€ 5,685 thousand) and investing activities (€ 12,017 thousand), partly offset by financial resources generated by operating activities (€ 44,018 thousand).

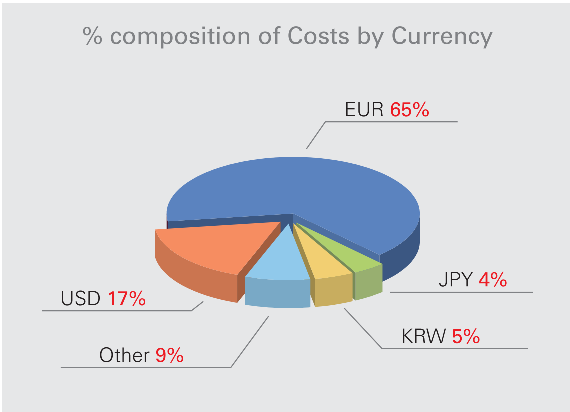


The *cash flow* from operating activities was € 44,018 thousand, equivalent to 26.3% of net sales, compared with € 56,705 thousand in 2006, equivalent to 34% of net sales. The decrease was primarily due to greater expenditures for taxes and the release of the funds for staff leaving indemnities and provisions for risks, partly offset by the increased net income for the year and the impact of write-downs of non-current assets.

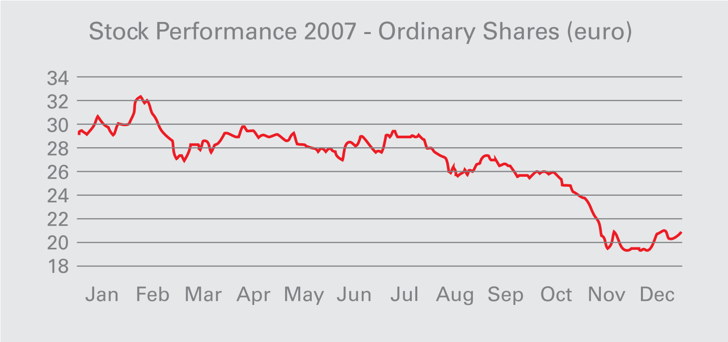
In 2007 investments in fixed assets totalled € 12,017 thousand (€ 10,883 thousand in 2006) and were primarily earmarked for the purchase of specific machinery and equipment for the setting up of new production lines and the improvement and enhancement of existing lines; in addition, we report that the subsidiary SAES Opto Materials S.r.l. purchased machinery and equipment following the acquisition of the "Opto" going concern from Scientific Materials Europe S.r.l. (the 30% equity investment in which was disposed of by SAES Getters S.p.A. in the first half of 2007).

The composition of net sales and operating costs by currency is given below:





The official price trends for ordinary and savings shares during 2007 are given below:



Ordinary and saving shares listed on the STAR segment Mercato Telematico Azionario of Borsa Italiana increased their values by 29% and 25% respectively in 2007, compared with the 9% and 16% increases recorded respectively on the Mibtel and AllSTAR indices.

The following table shows the main ratios:

Ratios		**2007**	**2006**	**2005**
Operating income / Net sales	%	29.3	32.5	23.6
Income before taxes / Net sales	%	34.3	32.5	25.3
Net income / Net sales	%	20.9	18.8	15.2
Net income / Average shareholders' equity (ROE)	%	26.7	22.5	14.6
Research expenses / Net sales	%	10.6	9.4	10.6
Depreciation of tangible assets/ Net sales	%	6.2	6.0	7.0
Cash flow from operating activities / Net sales	%	26.3	34.0	26.9
Taxes / Income before taxes	%	39.2	42.2	40.2
Net sales / Average number of personnel		187	185	168
Accumulated depreciation / Tangible assets	%	63.1	61.0	59.1

Performance of subsidiaries

SAES ADVANCED TECHNOLOGIES S.p.A., Avezzano, AQ (Italy)
In 2007, the company posted net sales of € 75,420 thousand compared with € 75,198 thousand in 2006. Exports accounted for 74% of net sales. Net sales for the year were substantially in line with 2006 due to offsetting factors within the Information Displays Business Unit: the strong growth of sales of products in the Flat Panel Displays Business Area, particularly mercury dispensers used in cold-cathode fluorescent lamps for the backlighting of liquid-crystal displays, was offset by the fall in sales of products in the Cathode Ray Tubes Business Area following the decline of the traditional cathode ray tube market. The company ended 2007 with a net income of € 25,027 thousand, compared with € 22,635 thousand in 2006. The improved result is chiefly due to the improved sales mixed and income on derivative instruments measured at *fair value* and recognized on the income statement during the period, as opposed to the hedge-accounting method applied in the previous period.

SAES GETTERS USA, INC., Colorado Springs, CO (USA)
The company posted consolidated net sales of $38,619 thousand in 2007 (€ 28,179 thousand at the average exchange rate for 2007), compared with $31,435 thousand (€ 25,036 thousand at the average exchange rate for the previous year) and a consolidated net income, according to International Accounting Standards, of $9,011 thousand (€ 6,575 thousand), compared with a consolidated net income of $5,477 thousand (€ 4,362 thousand) in 2006.

Further comments are given below.

The US parent company *SAES Getters USA, Inc.* (which operates in the Industrial Applications Business Unit and Advanced Materials Business Development Unit, and, until 2006, the Information Displays Business Unit), posted net sales of $8,499 thousand, compared to net sales of $8,205 thousand in 2006.
The increase in sales was primarily due to the rise in net sales of the Industrial Applications Business Unit, which more than offset the sales in the Information Displays Business Unit in 2006.
The company ended the year with net income of $3,084 thousand, up sharply from $1,915 thousand in 2006. The increase in net income was chiefly driven by an improved sales mix, a rise in net sales, and a decrease in various operating expenses.

The subsidiary *SAES Pure Gas, Inc.*, based in San Luis Obispo, California (USA) (products in the Semiconductors Business Area) posted sales of $30,119 thousand, up sharply from the previous year ($23,229 thousand), as a result of increased sales of large and small purifiers. The company ended the year with a net income of $5,928 thousand, compared with a net income of $3,562 thousand in 2006. The rise in income was driven by increased net sales, partly offset by the increase in operating expenses.

SAES GETTERS JAPAN CO., LTD., Tokyo (Japan)
The company achieved sales of JPY 6,742 million (€ 41,811 thousand at the average exchange rate for 2007) down from 2006 (JPY 7,542 million, equivalent to € 51,654 thousand at the average exchange rate for 2006). In the first few months of 2006 the company also engaged in marketing in the Taiwan area; this activity was suspended when the branch formed by the Parent Company in the same area became operational in 2006, resulting in a decrease in net sales in the Flat Panel Displays Business Area

(mercury dispensers used in cold-cathode fluorescent lamps for the backlighting of liquid-crystal displays). The company ended 2007 with net income of approximately JPY 365 million (€ 2,262 thousand euro), down from JPY 482 million in 2006 (€ 3,300 thousand), primarily due to the fall in net sales.

SAES GETTERS SINGAPORE PTE, LTD., Singapore (Singapore)
The company posted net sales of $3,234 thousand in 2007 (€ 2,360 thousand at the average exchange rate in 2007), down from 2006 ($5,446 thousand, equivalent to € 4,337 thousand). The fall in net sales was due to the decrease in sales in the Cathode Ray Tubes Business Area following the decline in the traditional cathode-ray tubes market. The company ended the year with net income of $194 thousand (€ 142 thousand), compared with a loss of $93 thousand (€ 74 thousand). The improved result despite the decrease in net sales was primarily driven by the fall in operating expenses, due also to the completion in 2006 of the procedure of liquidating the branch operated by the company in Hsin Chu (Taiwan).

SAES GETTERS (DEUTSCHLAND) GmbH, Cologne (Germany)
In 2007 the company posted net sales of € 896 thousand, down from the figure recorded in 2006 (€ 989 thousand). Net income for 2007 was € 280 thousand, compared with € 310 thousand in 2006.

SAES GETTERS (GB), LTD., Daventry (Great Britain)
The company posted net sales of GBP 63 thousand (€ 92 thousand at the average exchange rate for 2007), compared with GBP 77 thousand in 2006 (€ 112 thousand at the average exchange rate for 2006). The company ended 2007 with a net loss of GBP 105 thousand (€ 153 thousand), up from a net loss of GBP 85 thousand in 2006 (€ 124 thousand).

SAES GETTERS (NANJING) CO., LTD., Nanjing (P.R. of China)
The company posted net sales of RMB 114,930 thousand in 2007 (€ 11,032 thousand at the average exchange rate for the year), down from 2006 (RMB 124,694 thousand, or € 12,457 thousand at the average exchange rate for the year), due to the decline in the traditional cathode-ray tube market (Cathode Ray Tubes Business Area). The company ended 2007 with a net income, according to International Accounting Standards, of RMB 24,007 thousand (€ 2,304 thousand at the average exchange rate for the year), down on 2006 (RMB 34,742 thousand, equivalent to € 3,471 thousand). The decrease in net income was primarily driven by the drop in net sales and the rise in operating expenses.

DR. –ING. MERTMANN MEMORY-METALLE GmbH, Weil am Rhein (Germany)
The company, in which a 50% shareholding was acquired on May 30, 2006, manufactures shape-memory alloys (Advanced Materials Business Development Unit) and posted € 1,692 thousand in sales in 2007, up sharply from € 1,227 thousand in 2006. The company ended the year with net income of € 67 thousand, compared with net income of € 8 thousand in 2006. The improved result was chiefly due to the increase in net sales.

SAES OPTO S.r.l., Lainate, MI (Italy)
The company was formed on May 15, 2007 and operates in the optoelectronics industry (Advanced Materials Business Development Unit) with the support of two subsidiaries formed in the first half of 2007. It posted sales of € 179 thousand and a net loss of € 107 thousand in 2007.

The subsidiary *SAES Opto Materials S.r.l.*, whose registered office is located in Cagliari, Italy, was established on April 3, 2007 by SAES Getters S.p.A., which then sold a 90% shareholding in the company to SAES Opto S.r.l. On May 10, 2007 the company purchased the "Opto" going concern from Scientific Materials Europe, in which a 30% investment was sold by SAES Getters S.p.A. in the first half of 2007. SAES Opto Materials S.r.l. posted net sales of €312 thousand in 2007 and a net loss of €115 thousand.

The subsidiary *SAES Opto Components S.r.l.*, formed on June 1, 2007, with registered office in Lainate, Italy, was 52% owned by SAES Opto S.r.l. as of December 31, 2007. The company did not post any sales in 2007 and ended the year with a net loss of €30 thousand.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A., Luxembourg (Luxembourg)
The company engages mainly in managing acquisitions and investments, granting inter-company loans and coordinating services for the Group. In 2007 the company posted €462 thousand in revenues for the provision of services (€391 thousand in 2006) and a net income, according to International Accounting Standards, of €6,973 thousand, compared to a net income of €3,816 thousand in 2006. The improved result was due to larger dividends collected from the subsidiary SAES Getters Korea Corporation than in 2006.

The following are comments on the performance of the subsidiaries of SAES Getters International Luxembourg S.A.

The subsidiary *SAES Getters Korea Corporation*, Seoul (South Korea) (62.52%, the remaining stake in capital is directly held by the Parent Company, SAES Getters S.p.A.), which operates primarily in the manufacturing of components for liquid-crystal displays (Flat Panel Displays Business Area) and the marketing of Group products, particularly getters intended for the cathode-ray tube market (it should be recalled that production in the Cathode Ray Tubes Business Area was discontinued at the end of 2006), posted net sales of KRW 42,324 million in 2007 (€33,248 thousand at the average exchange rate for the year), compared with net sales of KRW 40,226 million (€33,562 thousand at the average exchange rate for 2006) in 2006. The increase in net sales was due to the strong growth of sales of products in the Flat Panel Displays Business Area, particularly mercury dispensers used in cold-cathode fluorescent lamps for the backlighting of liquid-crystal displays, partly offset by the fall in sales of products in the Cathode Ray Tubes Business Area following the decline of the traditional cathode ray tube market. The company ended the year with net income according to International Accounting Standards of KRW 22,046 million (€17,318 thousand), compared with net income of KRW 17,549 million (€14,642 thousand) in 2006. The improved net result was primarily due to the rise in net sales and a better sales mix, in addition to the containment of operating expenses with respect to 2006.

The subsidiary *SAES Getters Technical Service* (Shanghai) Co., Ltd. (P.R. of China), whose object was the provision of technical support services to semiconductor companies, suspended production in the first half of 2006. The liquidation procedure was then initiated and the company ended 2007 with net sales of RMB 842 thousand (€81 thousand at the average exchange rate for the year), down sharply from 2006 (RMB 10,789 thousand, equivalent to €1,078 thousand). The company ended 2007 with net income according to International Accounting Standards of RMB 6,690 thousand (€ 642 thousand at the average exchange rate for the year), compared to net income of RMB 23,776 thousand (€ 2,375 thousand) in 2006. We report that 2006 included income arising from the partial waiver of an inter-company account receivable from the parent company SAES Getters International Luxembourg S.A. and the positive impact of the measurement at *fair value* of disposal groups at the end of 2006, whereas 2007 includes the impact of the larger effective capital gain realized on said disposal. The decrease in net income in 2007 compared to 2006 may be attributed to the aforementioned factors.

The subsidiary *SAES Getters America, Inc. Cleveland, OH (USA*) ended the year with net income of $8,053 thousand (€ 5,876 thousand at the average exchange rate for 2007), compared to net sales of $9,867 thousand (€ 7,858 thousand at the average exchange rate for 2006), due to the decline in sales in the Cathode Ray Tubes Business Area and the Industrial Applications Business Unit, only partially offset by increased sales of getter films for MEMS applications in the Advanced Materials Business Development Unit. The company posted net income of $749 thousand (€ 547 thousand at the average exchange rate for the year), compared to $613 thousand (equivalent to € 488 thousand) in 2006. The improved result, despite the decrease in net sales, was primarily due to the containment of operating expenses with respect to the previous year.

The company *Nanjing SAES Huadong Vacuum Material Co., Ltd., Nanjing (P.R. of China)*, whose 51% shareholding was acquired in the second half of 2006, is considered a jointly controlled company since SAES Getters International Luxembourg S.A., despite owning 51% of capital stock, does not exercise control as defined by International Accounting Standards.
The company, which manufactures and markets components for displays and industrial applications, posted sales of RMB 60,775 thousand (€ 5,834 thousand at the average exchange rate for 2007) and net income according to International Accounting Standards of RMB 18,626 thousand (€ 1,788 thousand at the average exchange rate for the year), compared with net sales of RMB 14,372 thousand (€ 1,436 thousand at the average exchange rate for the year) and net income of RMB 4,771 thousand (€ 477 thousand at the average exchange rate for the year) posted in 2006 since the date of acquisition.
We report that, as a result of contractual agreements entered into at the time of purchase, third-party shareholders in the joint venture are entitled to a fixed annual dividend, meaning that the Group's share of the company's income differs from its share of equity.
For further information, the reader is referred to the comment on financial expenses in the paragraph dealing with sales and net income in the first half of 2007.

The company *SAES Smart Materials, Inc., New York, NY (USA)*, 100% owned by SAES Getters International Luxembourg S.A., was formed on October 16, 2007 in order to acquire the majority of the assets of the Shape Memory Alloys division of Special Metals Corporation. The transaction was completed on January 3, 2008.

Research, Development and Innovation activities

Innovation activities were very intense in 2007, as witnessed by the expenditure in absolute terms, which came to € 16,981 thousand, or 10.2% of consolidated net sales. We report that the research and development expenses disclosed in the

Financial Statements exceeded those indicated herein because they include € 771 thousand in non-recurring costs attributable to the write-down of a research project in an area no longer deemed strategic and the write-down of machinery and licenses no longer in use.

The review of data from the Stage & Gate®, which is now fully operational, allowed for an increasingly precise allocation of costs among the various projects in 2007. An examination of these data shows that 20% of expenses were related to research and development activities requested by business managers to satisfy clients' needs. The activity focuses on mercury dispensers and other families of getters used in lamps and industrial applications and is of great strategic importance to SAES because it allows us to maintain our position of market leadership.

Approximately 50% of expenses then converged in important diversification projects: OLED, MEMS, SMA and Opto.

In the OLED field, in addition to the technical success of the launch of a DryFlex® pilot line in Lainate, which we were then forced to write down due to the sudden decision to suspend production by our customers, we completed the first sample of transparent organic getters for next-generation OLEDs, which will allow us to establish and develop important contacts with potential users in the market. It is the outcome of a complex project involving the collaboration of universities and centres of excellence, which will bring SAES Getters to expand its field of knowledge and develop new product families that may then also be used in applications in solar cells.

In the MEMS getters field, the trasfer was made from research to production of the Lainate pilot lines, and important development work continued on lithographic technology, which will allow a sharp decrease in the cost of the process, an essential condition to access the large-volume market of consumer electronics components. The pilot production line became fully operational, working constantly on manufacturing PageWafer® samples for important MEMS clients for automotive, military, and consumer electronics applications. It should be emphasized that 2007 marked the official launch of close collaboration with STMicroelectronics, which will lead to highly satisfactory results.

In the SMA field, industrialization and development work continued, aimed at optimizing the manufacturing process for thin wires (76 microns) and the implementation of the melting processes. Work continued on qualifying components used in the automotive industry with important customers, orders for which should be received as soon as the first half of 2008. The pilot facility in Lainate has achieved conditions of high production efficiency. It is charged with preparing samples for clients and developing and consolidating processes that will then be transferred to the Avezzano production facility. Also worthy of note is the launch of important collaboration with an Asian manufacturer of components for a large-scale application in the consumer electronics industry.

In the OPTO field, work moved forward on the implementation of the Nd:Yag production process and the development of crystals for scintillators (LuYap) and lasers (Alessandrite).

A significant portion of research and development activity is focused on supporting technology marketing (scouting for new activities). Efforts in this area were concentrated on two applications: products for solar cells and implantable medical devices.

Approximately 5% of total costs were related to the development of patents. The rest of the work was divided among new projects and the study of basic technologies.

Business outlook

The Group does not foresee that significant changes will occur in the Information Displays market in 2008. The decline of revenues in the traditional cathode-ray tubes sector due to the maturity of the segment is set to continue. SAES expects to continue with its plan to strike a proper balance in its production structure in line with trends in this market.

The Industrial Applications market is projected to remain stable or show moderate growth on 2007, with the exception of some possible decline in the semiconductor business due to a slowdown in investments by potential customers.
There is a possibility of significant growth in sales of getters for solar collectors due to the strong interest shown in the renewable energy business.

The Company projects growth for the shape-memory allow sector, due in part to the recent acquisition of the Shape Memory Alloys division from Special Metals Corporation.

In the first two months of 2008, consolidated net sales were € 28,219 thousand, up by 12.3% on the figure of € 25,135 thousand recorded in the corresponding period of the previous year (+19.6% net of the exchange rate effect).

In the first two months of 2008, consolidated net sales in the **Information Displays Business Unit** totalled € 16,409 thousand, up by 2.3% from the figure of € 16,036 thousand from the corresponding period of 2007. Net of the exchange rate effect, the net sales of the Business Unit were up by 10.2% on the first two months of 2007 due to the increase in net sales in the Flat Panel Business Area, partly offset by a drop in the Cathode Ray Tubes Business Area.

In the first two months of 2008, consolidated net sales in the **Industrial Applications Business Unit** were € 10,527 thousand, up 20.3% on the figure of € 8,750 thousand recorded in the corresponding period of 2007 (+24.8% net of the exchange rate effect). The increase is mainly due to higher sales of purifiers.

In the first two months of 2008, net sales in the **Advanced Materials Business Development Unit** were € 1,283 thousand, up from € 349 thousand in the corresponding period of 2007. The rise in net sales was primarily due to the expansion of the Group's perimeter (for further details the reader is referred to Note No. 43).

The Group's income will continue to be influenced by trends affecting the exchange rate of the euro against the major currencies. In order to protect the Group's margins against fluctuations in exchange rates, additional hedging transactions were undertaken. Hedging transactions involving the U.S. dollar increased to the total amount of $18.6 million; hedging contracts involving the Japanese yen were increased to a notional value of JPY 3,024 million (figures at March 15, 2008).

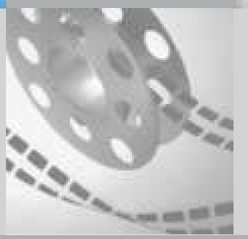
Investments held by Directors, Statutory Auditors, General Managers and Executives with strategic responsibilities

(pursuant to Article 79 of Consob resolution No. 11971/99 of May 14, 1999)

Surname and first name	Company	Number of shares held at the end of last year	Number of shares bought in the current year	Number of shares sold in the current year	Number of shares held at the end of the current year	Notes (*)
Baldi Stefano	SAES Getters S.p.A.	2,140	2,070	2,140	2,070	Ordinary shares
		12,008	-	6,000	6,008	Savings shares
della Porta Giuseppe	SAES Getters S.p.A.	10,000	-	-	10,000	Ordinary shares
		-	10,000	10,000	-	Savings shares
della Porta Massimo	SAES Getters S.p.A.	340	4,660	-	5,000	Ordinary shares
		15,000	-	15,000	-	Savings shares
della Porta Paolo	SAES Getters S.p.A.	-	24,048	-	24,048	Ordinary shares
		12,008	-	-	12,008	Savings shares(1)
Dogliotti Andrea	SAES Getters S.p.A.	105,641	-	9,000	96,641	Ordinary shares(3)
		-	-	-	-	Savings shares
Gilardoni Andrea	SAES Getters S.p.A.	7,100	8,000	7,000	8,100	Ordinary shares
		-	6,900	3,400	3,500	Savings shares
Rolando Giuseppe	SAES Getters S.p.A.	13,000	11,400	2,000	22,400	Ordinary shares(2)
		2,000	7,676	-	9,676	Savings shares(1)

(*) Unless specifically mentioned, the shares held are understood to be fully owned.

(1) registered to a spouse who is not legally separated
(2) of which No. 6.400 registered to a spouse who is not legally separated
(3) of which No. 95.641 charged with usufruct



Consolidated Financial Statement
for the year ended
December 31, 2007

Consolidated Income Statement

(thousands of euro)

	Notes	2007 Continuing operations	2007 Discontinuing operations	2007 Total	2006 Continuing operations	2006 Discontinuing operations	2006 Total
Total net sales	**3**	**167,189**	**39**	**167,228**	**165,897**	**823**	**166,720**
Cost of sales	4	(64,718)	(13)	(64,731)	(57,233)	(1,133)	(58,366)
Utile industriale lordo		**102,471**	**26**	**102,497**	**108,664**	**(310)**	**108,354**
Research & development expense	5	(17,752)	0	(17,752)	(15,476)	0	(15,476)
Selling expenses	5	(12,701)	0	(12,701)	(13,547)	(21)	(13,568)
General & administrative expenses	5	(23,711)	(241)	(23,952)	(20,946)	(509)	(21,455)
Total operating expenses		(54,164)	(241)	(54,405)	(49,969)	(530)	(50,499)
Restructuring costs	6				(4,000)		(4,000)
Other income (expenses), net	7	996	(37)	959	645	28	673
Operating Income		**49,303**	**(252)**	**49,051**	**55,340**	**(812)**	**54,528**
Interest and other financial income	8	3,217	77	3,294	2,253	4	2,257
Interest and other financial expenses	8	(721)	(1)	(722)	(570)	(73)	(643)
Share of result of investments accounted for using the equity method		0		0	(259)		(259)
Net income (loss) on discontinuing operations	12	0	453	453	0	498	498
Foreign exchange gains (losses), net	9	5,428	(152)	5,276	(1,896)	(204)	(2,100)
Income before taxes		**57,227**	**125**	**57,352**	**54,868**	**(587)**	**54,281**
Income taxes	10	(22,509)		(22,509)	(22,890)		(22,890)
Net Income (loss)		**34,718**	**125**	**34,843**	**31,978**	**(587)**	**31,391**
Minority interst in consolidated subsidiaries		(26)		(26)			
Group net income (loss)		**34,744**	**125**	**34,869**	**31,978**	**(587)**	**31,391**
Net income per ordinary share	11	1.5407		1.5463	1.4210		1.3948
Net income per savings share	11	1.5745		1.5801	1.4370		1.4108

Consolidated Balance Sheet

(thousands of euro)

	Notes	December 31, 2007	December 31, 2006
ASSETS			
Non Current Assets			
Propety, plant and equipment, net	14	60,317	61,625
Intangible assets, net	15	6,150	7,039
Investments accounted for using the equity method	16	0	191
Deferred tax assets	17	6,697	9,185
Other long term assets	18	893	883
Total Non Current Assets		**74,057**	**78,923**
Current assets			
Inventory	19	16,189	18,385
Trade receivables	20	27,148	29,752
Tax consolidation receivables from Controlling Company	21	8,360	5,120
Prepaid expenses, accrued income and other	22	5,410	5,479
Derivative financial instruments evaluated at *fair value*	23	1,769	388
Cash and cash equivalents	24	70,665	94,921
Non current assets held for sale	25	0	1,671
Total current assets		**129,541**	**155,716**
Total assets		**203,598**	**234,639**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Capital stock		12,220	12,220
Share issue premium		42,994	48,679
Treasury shares		(8,303)	(2,618)
Legal reserve		2,444	2,444
Sundry reserves, retained earnings and accumulated losses		74,901	76,939
Net income (loss) for the period		34,869	31,391
Interim dividend		(12,314)	0
Shareholders' equity	26	**146,811**	**169,055**
Capital stock and sundry reserves of third parties		20	0
Net income (loss) for the period of third parties		(26)	0
Minority interest in consolidated subsidiaries		**(6)**	**0**
Total shareholders' equity		**146,805**	**169,055**
Non current liabilities			
Non current financial liabilities	28	2,270	3,047
Deferred tax liabilities	29	4,564	5,386
Staff leaving indemnity and other employee benefits	30	9,338	10,713
Non current provisions	31	1,058	3,728
Other payables		19	15
Total non current liabilities		**17,249**	**22,889**
Current liabilities			
Trade payables	32	10,049	9,521
Tax consolidation payables from Controlling Company	21	7,525	8,888
Other payables	33	13,311	11,710
Accrued income taxes	34	4,312	6,900
Current provisions	31	2,408	3,584
Bank overdraft	35	184	77
Current portion of long term debt	28	857	839
Accrued liabilities	36	898	1,176
Total current liabilities		**39,544**	**42,695**
Total current liabilities and shareholders' equity		**203,598**	**234,639**

Consolidated Statement of Cash flows

(thousands of euro)

		Year 2007		Year 2006
Cash flows provided from operating activities				
Net income		34,843		31,391
Current income taxes		21,112		22,534
Change in deferred income tax expenses		1,397		356
Depreciation of property, plant and equipment		10,306		10,001
Write down (revaluation) of property, plant and equipment		1,958		(45)
Amortization of intangible assets		1,310		845
Write down (revaluation) of intangible assets		2,637		0
Net loss (gain) on disposal of property, plant and equipment		(608)		44
Interest and other financial income, net		(2,572)		(1,626)
Accrual for termination indemnities		2,225		3,650
Accrual (utilization) for risks and contingencies		(3,771)		4,427
		68,837		**71,577**
Change in operating assets and liabilities				
Cash increase (decrease) in				
Account receivables and other receivables	(1,337)		3,553	
Inventories	1,110		(1,324)	
Trade account payables	224		(1,523)	
Other payables	1,373		(459)	
		1,370		**247**
Payments of termination indemnities		(3,491)		(2,927)
Interest and other financial payments		(414)		(449)
Interest and other financial receipts		3,293		2,254
Income taxes paid		(25,577)		(13,997)
Cash flows from operating activities		**44,018**		**56,705**
Cash flow used by investing activities				
Purchase of property, plant and equipment		(12,017)		(10,883)
Proceeds from sales of property, plant and equipment		2,263		41
Purchase of intangible assets		(3,165)		(666)
Price paid for acquisition of shareholding in subsidiaries, net of cash acquired		0		(9,604)
Proceeds from sale of investments in subsidiaries, net of cash disposed of		191		0
Cash flow from investing activities		**(12,728)**		**(21,112)**
Cash flow used by financing activities				
Proceeds from long term debt		0		137
Dividends paid		(43,821)		(29,265)
Purchase of treasury shares		(5,685)		0
Repayments of financial debt		(759)		0
Change in minority interest in consolidated subsidiaries		20		0
Cash flow from financing activities		**(50,245)**		**(29,128)**
Effect of exchange rate differences		(5,408)		(2,066)
Increase (decrease) in cash and cash equivalents		(24,363)		4,399
Cash and cash equivalents at beginning of the year		**94,844**		**90,445**
Cash and cash equivalents at the end of the period		**70,481**		**94,844**

Statement of Changes in Consolidated Shareholders' Equity during the Period Ending December 31, 2007

(thousands of euro)	Capital Stock	Share premium reserve	Treasury shares	Legal reserve	Sundry reserves and retained earnings			Net profit (loss) for the period	Shareholders' equity	Minority in consolidated subsidiaries	Total shareholders' equity
					Currency translation reserve	Sundry reserves, retained earnings and accumulated losses	Total				
Balance at December 31, 2006	**12,220**	**48,679**	**(2,618)**	**2,444**	**219**	**76,720**	**76,939**	**31,391**	**169,055**	**0**	**169,055**
Appropriation of 2006 income:						31,391	31,391	(31,391)	0		0
Dividends paid:											
- euro 1.400 per n. 15,271,350 ordinary shares (of which treasury shares 302,028)						(20,957)	(20,957)		(20,957)		(20,957)
- euro 1.416 per n. 7,460,619 savings shares (of which treasury shares 10,013)						(10,550)	(10,550)		(10,550)		(10,550)
2007 interim dividend:											
- euro 0.550 per n. 15,271,350 ordinary shares (of which treasury shares 499,595)								(8,125)	(8,125)		(8,125)
- euro 0.566 per n. 7,460,619 savings shares (of which treasury shares 58,895)								(4,189)	(4,189)		(4,189)
Purchase of treasury shares		(5,685)	(5,685)			5,685	5,685		(5,685)		(5,685)
Reserve for cash flow hedge (IAS 39)						(257)	(257)		(257)		(257)
Exchange rate differences from conversion of financial statements denominated in foreign currencies					(7,350)		(7,350)		(7,350)		(7,350)
Change in minority interest in consolidated subsidiaries										20	20
Net income for the period								34,869	34,869	(26)	34,843
Balance at December 31, 2007	**12,220**	**42,994**	**(8,303)**	**2,444**	**(7,131)**	**82,032**	**74,901**	**22,555**	**146,811**	**(6)**	**146,805**

Statement of Changes in Consolidated Shareholders' Equity during the Period Ending December 31, 2006

(thousands of euro)

					Sundry reserves and retained earnings				
	Capital Stock	**Share premium reserve**	**Treasury shares**	**Legal reserve**	**Currency translation res**	**Sundry reserves, retained earnings and accumulated losses**	**Total**	**Net profit (loss) for the period**	**Shareholders' equity**
Balance at December 31, 2005	**12,220**	**38,273**	**(2,618)**	**2,444**	**4,652**	**94,619**	**99,271**	**21,007**	**170,597**
Appropriation of 2005 income:						21,007	21,007	(21,007)	0
Dividends paid:									
- euro 1.300 per n. 15,271,350 ordinary shares (of which treasury shares 302,028)						(19,460)	(19,460)		(19,460)
- euro 1.316 per n. 7,460,619 savings shares (of which treasury shares 10,013)						(9,805)	(9,805)		(9,805)
Reserve for cash flow hedge (IAS 39)						765	765		765
Exchange rate differences from conversion of financial statements denominated in foreign currencies					(4,433)		(4,433)		(4,433)
Annulment resolution purchase of treasury shares		10,406				(10,406)	(10,406)		0
Net income for the period								31,391	31,391
Balance at December 31, 2006	**12,220**	**48,679**	**(2,618)**	**2,444**	**219**	**76,720**	**76,939**	**31,391**	**169,055**

Accounting principles and notes

1. Group profile

SAES Getters S.p.A., the parent company, and its subsidiaries operate both in Italy and abroad in the development, production and marketing of getters and other components for cathode ray tubes and flat panel displays as well as getters and other components for industrial applications, and in the gas purification industry. The Group also operates in the field of advanced materials, particularly in the development of getters for microelectronic and micromechanical systems, optical crystals and shape memory alloys.
The business is not characterized by cyclical or seasonal circumstances.
The parent company SAES Getters S.p.A. is controlled by S.G.G. Holding S.p.A., that doesn't exercise direction or coordination activities.
The publication of the Consolidated Financial Statements 2007 was authorized by the Board of Directors resolution dated March 18, 2008.
The following table shows the companies included in the scope of consolidation according to the full consolidation method as of December 31, 2007:

Company	Currency	Capital Stock	% Ownership	
			Direct	Indirect
Directly-Controlled subsidiaries:				
SAES Advanced Technologies S.p.A. Avezzano, AQ (Italy)	EUR	2,600,000	100.00	-
SAES Getters Usa, Inc. Colorado Springs, CO (USA)	USD	9,250,000	100.00	-
SAES Getters Japan Co., Ltd. Tokyo (Japan)	JPY	20,000,000	100.00	-
SAES Getters (GB), Ltd. Daventry (Great Britain)	GBP	20,000	100.00	-
SAES Getters (Deutschland) GmbH Cologne (Germany)	EUR	52,000	100.00	-
SAES Getters Singapore Pte, Ltd. Singapore (Singapore)	SGD	300,000	100.00	-
SAES Getters (Nanjing) Co., Ltd. Nanjing (P. R. of China)	USD	13,570,000	100.00	-
SAES Getters International Luxembourg S.A. Luxembourg (Luxembourg)	EUR	11,312,777	99.92	0.08*
SAES Opto S.r.l. - Lainate, MI (Italy)	EUR	100,000	100.00	-
Indirectly-controlled subsidiaries:				
Through SAES Getters USA, Inc.:				
SAES Pure Gas, Inc. - San Luis Obispo, CA (USA)	USD	7,612,661	-	100.00
Through SAES Opto S.r.l.:				
SAES Opto Materials S.r.l. - Cagliari (Italy)	EUR	100,000	-	90.00
SAES Opto Components S.r.l. - Lainate, MI (Italy)	EUR	20,000	-	52.00
Through SAES Getters International Luxembourg S.A.:				
SAES Getters Korea Corporation - Seoul (South Korea)	KRW	10,497,900,000	37.48	62.52
SAES Getters Technical Service (Shanghai) Co., Ltd. Shanghai (P. R. of China)	USD	4,100,000	-	100.00
SAES Getters America, Inc. - Cleveland, OH (USA)	USD	23,500,000	-	100.00
SAES Smart Materials, Inc. - New York, NY (USA)	USD	15,000,000	-	100.00

* % held by SAES Advanced Technologies S.p.A.

The following table shows the companies included in the scope of consolidation according to the proportionate consolidation method as of December 31, 2007:

Company	Currency	Capital Stock	% Ownership	
			Direct	Indirect
Dr. -Ing. Mertmann Memory-Metalle GmbH Weil am Rhein (Germany)	EUR	330,000	50.00	-
Nanjing SAES Huadong Vacuum Material Co., Ltd. Nanjing (P. R. of China)	CNY	18,715,910	-	51.00

With respect to December 31, 2006 the following changes in the consolidation area occurred:

- on April 3, 2007 the company SAES Opto Materials S.r.l., based in Cagliari (Italy), was incorporated, 90% held by SAES Getters S.p.A. The shareholding was subsequently sold to the new company incorporated SAES Opto S.r.l.;
- on May 10, 2007 the 30% shareholding in Scientific Materials Europe S.r.l. was sold;
- on May 15, 2007 the company SAES Opto S.r.l., based in Lainate (Italy) was incorporated, 100% held by SAES Getters S.p.A.;
- on June 1, 2007 the company SAES Opto Components S.r.l., based in Lainate (Italy), was incorporated, 52% held by SAES Opto S.r.l.;
- on October 16, 2007 was founded the company SAES Smart Materials, Inc., based in New York (USA), 100% held by SAES Getters International Luxembourg S.A.

It is to be noted that on May 10, 2007 the company SAES Opto Materials S.r.l. acquired the "Opto" going concern from Scientific Materials Europe S.r.l.

2. Summary of main accounting principles

Following the entry into force of EC Regulation no. 1606/2002, the SAES Getters Group adopted IAS/IFRS accounting standards as from January 1, 2005. 2007 Consolidated financial statements were prepared according to IAS/IFRS accounting standards adopted by the European Union.

It is to be noted that comparative data have been restated and different accounting methodologies applied, compared to those included in the 2006 Consolidated Financial Statements with reference to:

- the composition of the operating income of the prior period, as some costs have been reclassified according to the presentation criteria adopted in the current period, which reflect a better destination on the basis of more appropriate drivers;
- balance sheet and income statement items, modified without changing the net result and the shareholders equity, in order to show the effect of applying the proportionate consolidation method to the jointly controlled entities Dr. -Ing. Mertmann Memory-Metalle GmbH (50% shareholding acquired in May 2006) and Nanjing SAES Huadong Vacuum Material Co., Ltd. (51% shareholding acquired in September 2006). The above mentioned companies were included into the scope of consolidation in the prior year according to the equity method.

The following table shows the effect of the above mentioned reclassifications on income statement items as of December 31, 2006:

(thousands of euro)

	Jointly controlled entities consolidated with equity method	Restatement	Jointly controlled entities consolidated with proportionate consolidation method
Total net sales	**165,600**	**1,120**	**166,720**
Cost of sales	(58,801)	435	(58,366)
Gross Profit	**106,799**	**1,555**	**108,354**
Research & development expenses	(15,609)	133	(15,476)
Selling expenses	(14,882)	1,314	(13,568)
General & administrative expenses	(18,736)	(2,719)	(21,455)
Total operating expenses	(49,227)	(1,272)	(50,499)
Restructuring costs	(4,000)	0	(4,000)
Other income (expenses), net	679	(6)	673
Operating Income	**54,251**	**277**	**54,528**
Interest and other financial income	2,254	3	2,257
Interest and other financial expenses	(449)	(194)	(643)
Share of result of investments accounted for using the equity method	(179)	(80)	(259)
Net income (loss) on discontinuing operations	498	0	498
Foreign exchange gains (losses), net	(2,115)	15	(2,100)
Income before taxes	**54,260**	**21**	**54,281**
Income taxes	(22,869)	(21)	(22,890)
Net Income (loss)	**31,391**	**0**	**31,391**
Minority interst in consolidated subsidiaries	0	0	0
Group net income (loss)	**31,391**	**0**	**31,391**

The following table shows the effect of the above mentioned reclassifications on balance sheet items as of December 31, 2006:

(thousands of euro)

	Jointly controlled entities consolidated with equity method	Restatement	Jointly controlled entities consolidated with proportionate consolidation method
ASSETS			
Non current assets			
Property, plant and equipment, net	61,303	322	61,625
Intangible assets, net	4,674	2,365	7,039
Investments accounted for using the equity method	3,784	(3,593)	191
Deferred tax assets	9,185	0	9,185
Other long term assets	883	0	883
Total non current assets	**79,829**	**(906)**	**78,923**
Current assets			
Inventory	18,060	325	18,385
Trade receivables	29,212	540	29,752
Tax consolidation receivables from Controlling Company	5,120	0	5,120
Prepaid expenses, accrued income and other	5,414	65	5,479
Derivative financial instruments evaluated at *fair value*	388	0	388
Cash and cash equivalents	93,879	1,042	94,921
Non current assets held for sale	1,671	0	1,671
Total current assets	**153,744**	**1,972**	**155,716**
Total assets	**233,573**	**1,066**	**234,639**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Total shareholders' equity	**169,055**	**0**	**169,055**
Non current liabilities			
Non current financial liabilities	2,989	58	3,047
Deferred tax liabilities	5,386	0	5,386
Staff leaving indemnity and other employee benefits	10,713	0	10,713
Non current provisions	3,728	0	3,728
Other payables	15	0	15
Total non current liabilities	**22,831**	**58**	**22,889**
Current liabilities			
Trade payables	9,205	316	9,521
Tax consolidation payables from Controlling Company	8,888	0	8,888
Other payables	11,059	651	11,710
Accrued income taxes	6,900	0	6,900
Current provisions	3,584	0	3,584
Derivative financial instruments evaluated at *fair value*	0	0	0
Bank overdraft	67	10	77
Current portion of long term debt	839	0	839
Accrued liabilities	1,145	31	1,176
Total current liabilities	**41,687**	**1,008**	**42,695**
Total current liabilities and shareholders' equity	**233,573**	**1,066**	**234,639**

The main accounting standards applied are described below.

Consolidation principles

The main consolidation principles adopted in drawing up the consolidated financial statements are as follows:

- the book value of investments in share capital is eliminated against the respective proportion of shareholders' equity in respect of the assumption of assets and liabilities, according to the full consolidation method;
- minority interests represent the share of income or loss and net assets not pertaining to the Group and are presented in the income statement in a specific line and in the balance sheet between the net equity reserves, separately from the Group Shareholders' Equity;
- in accordance with IAS 31, the book value of investments in jointly controlled companies, included in the consolidated financial statements according to the proportionate consolidation method, is eliminated against the respective fraction of shareholders' equity pertaining to the Group in respect of the assumption of assets and liabilities for the amount corresponding to the Group's percentage investment. Each item of the income statement is also entered in the consolidated financial statements for the amount corresponding to the Group's percentage investment. Debit and credit items and all other transactions between the jointly controlled company and the subsidiaries are eliminated according to the Group's percentage ownership. Residual balances are recognized in the balance sheet and in the income statement together with third party transactions;
- any positive difference between the cost of acquisition and the subsidiaries' equity share, expressed at the *fair value* at the time of acquiring the investment, if the necessary requirements are met, is posted as "Goodwill";
- profits and losses not yet realized arising from transactions between consolidated companies are eliminated as are debit and credit items and all other transactions between the companies included in the scope of consolidation;
- the financial statements of foreign subsidiaries are converted into the currency of account (euro) by applying the current year-end exchange rate to assets and liabilities and the average exchange rate for the year to income statement entries. The difference between net income for the period obtained from converting at average exchange rates and net income for the period obtained from converting at year-end rates is entered in a special sub-item of the shareholders' equity "Currency translation reserve" included in the item "Sundry reserves and retained earnings". The same item also considers the effect on shareholders' equity of changes in exchange rates between the end of the previous financial year and the end of the current financial year. On the disposal of a foreign subsidiary, the cumulative amount of exchange differences booked in the shareholders' equity for the foreign subsidiary disposed of are reversed to income statement.

Details of the exchange rates applied in the conversion of financial statements expressed in a foreign currency are given in Note No. 44.

Accounting schemes

The balance sheet layout conforms to the minimum content required by International Accounting Standards and is based on a distinction between current and non-current assets and liabilities depending on whether these items are realized within or after

twelve months of the balance sheet date. The income statement is based on a cost allocation structure.
The accounting schemes are consistent with the reports prepared for the internal organizational and management structure. The statement of cash flows layout is based on the indirect method.

Property, plant and equipment

These are stated at cost or deemed cost, less accumulated depreciation and impairment losses. The cost includes additional charges and direct and indirect production costs in the amount reasonably attributable to the asset.
Maintenance costs incurred after first recognition are capitalized only if they bring about an increase in the future economic benefits of the assets to which they relate.

Depreciation is calculated on a straight-line basis according to the expected useful life of the fixed assets, using the following rates:

Buildings	2.5%-3%
Machinery and equipment	10%-25%
Industrial and commercial equipment	20%-25%
Other assets	7%-25%

Finance leases are classified as those which transfer to the lessee substantially all the risks and rewards incidental to ownership. Fixed assets acquired under finance leases are recognized at the lower of *fair value* and the present value of the minimum lease payments owed, according to the contracts, and are depreciated on the basis of their expected useful life. The liability to the lessor is classified amongst financial liabilities in the balance sheet. Interest included in the lease payments is charged to the income statement for the period as financial expenses.
Other leases are considered as operating leases and the respective costs are recognized on the basis of the conditions stipulated in the respective contracts.

Intangible assets

In accordance with IAS 38, intangible assets are recognized only if they are identifiable, if future economic benefits will probably flow from their use and if their cost can be reliably measured.

Intangible assets are amortized according to their estimated useful life, if finite, as follows:

• Industrial and other patent rights	3-5 years/duration of the contract
• Concessions, licenses, trademarks and similar rights	3-50 years/duration of the contract
• Other	3-8 years/duration of the contract

Intangible assets with an indefinite useful life are not amortized but are assessed for impairment at least annually or according to the frequency determined by impairment risk indications. Subsequent expenditure is recognized only if it increases the economic benefits expected from the use of the intangible assets to which it relates.

Goodwill
Any positive difference between the cost of acquisition of a business combination and the

fair value of the assets and liabilities acquired is stated amongst intangible assets as goodwill. Any negative difference is charged to the income statement at the time of acquisition.
Goodwill is not amortized but must be tested for impairment in accordance with IAS 36 Impairment of assets, at least annually or according to the frequency determined by impairment risk indications. After initial recognition, goodwill is stated at cost less any impairments recognized.

Research and development expenses
The expenses incurred in research activities undertaken to acquire new scientific or technical knowledge or to broaden existing knowledge are charged to the income statement.
The expenses incurred in development activities where research findings are applied to new or substantially improved products and processes are capitalized if all of the following conditions are met:
- technical feasibility, intention to complete the asset for use or sale, ability to use or sell the asset;
- likely to generate future economic benefits from the expenditure incurred (in particular by demonstrating the existence of a market for the asset being developed);
- availability of technical and financial resources to complete the development of the asset;
- expenditure measured reliably.

Impairment

The recoverable amount of property, plant and equipment and intangible assets is verified at least annually if there is an indication of impairment. An impairment loss should be recognized whenever the carrying amount of an asset exceeds its recoverable amount. Intangible assets with an indefinite useful life are tested for impairment annually or according to the frequency determined by impairment risk indications.
If it is not possible to determine the recoverable amount for an individual asset, the Group estimates the recoverable value of the related cash generating unit.
The recoverable amount is the higher of an asset's *fair value* less costs to sell and its value in use. Value in use is determined from estimated future cash flows based on a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.
Impairment loss is equal to the part of carrying amount exceeding recoverable amount.
If, subsequently, an impairment loss on an asset other than goodwill is reversed or reduced, the carrying amount of the asset is increased based on its estimated recoverable amount, but not to exceed the amount that the asset would have had if no impairment loss had ever been recognized. Impairment loss and reversal of an impairment loss are recognized in the income statement.

Jointly controlled entities

Investments in jointly controlled entities are included into the scope of consolidation according to the proportionate consolidation method. For further details please refer to the consolidation principles.

Other financial assets

Other financial assets belong to the categories "available-for-sale financial assets" or "held-to-maturity investments" defined by IAS 39. Assets in the first category are measured at *fair value* if a market price is available or at cost if it is not possible to determine the *fair value*. Assets in the second category are valued at amortized cost.

Inventory and construction contracts

Inventory is stated at the lower of purchase or production cost, calculated according to the FIFO method, and the market value.
Production cost includes the direct costs of materials and labor and indirect production costs (variable and fixed).
Obsolete and slow-moving stock is written down in relation to its possible use or realization.
Construction contracts are measured on the basis of the stage of completion, net of any advances invoiced to customers. The production cost includes the direct costs of materials and labor and the indirect production costs (variable and fixed) reasonably attributable to them. Losses on construction contracts, if any, are charged to the income statement if it is likely that the total estimated expenses will exceed the total revenues expected.

Trade and other receivables

These are stated at realizable value, i.e. the nominal value less appropriate allowances for estimated losses on receivables.

Assets and liabilities held for sale and discontinuing operations

These are assets and liabilities whose value will be recovered through sale rather than through use, insofar as they are subject to disposal. This specific classification is adopted when the sale occurs or when the assets and liabilities meet the criteria of "held for sale", if known previously.
These are measured at the lower of carrying value and *fair value*, less their costs to sell.
Impairments at the time of classification of assets and liabilities as held for sale are charged to the income statement, together with subsequent income and expenses arising from the measurement of these items.

Derivative financial instruments

The Group put in place derivative financial instruments, in particular currency forward sales contracts to hedge against foreign exchange rates fluctuations. At inception these contracts are measured at *fair value*, subsequently periodically updated; they are booked as assets if the *fair value* is positive and as liabilities if negative.
Gains or losses arising from the changes in *fair value* of derivative financial instruments are directly charged to the income statements of the period.

Accrued income/liabilities, prepaid expenses and deferred income

These items include portions of costs and revenues which are common to two or more financial years, in accordance with accrual basis accounting.

Shareholders' Equity

The dividends distributed by the parent company are booked as liabilities at the time of the distribution decision. Transactions involving the purchase and sale of treasury shares are recognized directly as movements in shareholders' equity, without going through the income statement.

Financial liabilities

These are initially stated at cost, i.e. the resources received net of the additional charges to pay off the liability. Subsequently, financial liabilities are valued at amortized cost, i.e. the amount of the initial liability net of capital repayments and additional charges amortized.

Staff leaving indemnity and other employee benefits

This item includes staff leaving indemnity and other employee benefits, set aside to cover the accrued liabilities payable to employees according to the laws, national collective agreements and supplementary company agreements in force in the countries in which the consolidated companies operate.
Both defined contribution and defined benefit plans are included. Under defined contribution plans, obligations are recorded as expenses on an accrual basis. Under defined benefit plans, obligations are valued by independent actuarial consultants according to the Projected Unit Credit Method, separately applied to each plan.
The liabilities arising from defined benefit plans are made up of the present value of the obligation towards employees, adjusted by unrecognized actuarial gains or losses and past service costs not yet recorded. Payments under defined contribution plans are charged to the income statement as costs when incurred.

Provisions for contingencies and obligations

Provisions for contingencies and obligations are set aside to cover legal or constructive obligations, arising from past events and their settlement will require a probable outflow of resources, the amount of which can be reliably estimated.
Changes of estimate are recognized in the income statement for the period in which the change occurs. If the effect is significant, provisions for contingencies and obligations have to be stated at the present value.

Trade and other payables

These relate respectively to trade or miscellaneous relations and are stated at nominal value.

Treasury shares

Treasury shares are deducted from equity. The original cost and the items generated from their subsequent sale are recognized as changes in shareholders' equity.

Revenue recognition

Revenues are recognized to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably. Revenues are stated net of discounts, allowances and returns.
Revenues from the sale of goods are recognized when the transfer to the buyer of the risks and rewards of ownership takes place.
Revenues generated from the rendering of services are recognized in the period in which the service was rendered.

Grants

Grants are recognized in the income statement where there is reasonable assurance that these will be obtained and that all the conditions for their recognition will be met.
Capital grants, in the amount pertaining to the year, are charged to the income statement on the basis of the useful life of the assets to which the grants relate. The proportion of the capital grant that relates to future financial years is entered under the item "Accrued liabilities".
Operating grants are recognized according to the accrual method of accounting in the same period in which the associated costs are incurred, shown net of these grants.

Cost of sales

The cost of sales represents the cost of buying or producing the products and goods that have been sold and includes the cost of raw materials, goods and direct and indirect production costs. The cost of sales also includes margins on construction contracts recognized by reference to the stage of completion (percentage of completion method).

Research and development expenses

All research expenses are charged to the income statement for the year in which they are incurred. Development expenses must be capitalized if the conditions set out in IAS 38 are met as already described in the notes on intangible assets. If the requirements for the mandatory capitalization of development expenses are not met, the expenses are charged to the income statement for the year in which they are incurred.

Selling expenses

These include the expenses that are incurred during the year as a result of selling products.

General and administrative expenses

These include the expenses that are incurred during the year in relation to the administrative structure.

Financial items

These include interest income and expense, exchange gains and losses (both realized and unrealized), any adjustments to securities and gains or losses arising from the changes in *fair value* of derivative financial instruments.
Interest expense of any kind is charged to the income statement for the year in which it is incurred.

Income taxes

Income taxes for the period include both current and deferred taxes and are charged to the income statement for the year, except those relating to items directly debited or credited in an item of shareholders' equity for which the tax effect is recognized in equity.

Current taxes are recognized on the basis of estimated taxable income in accordance with the provisions in force, taking account of the applicable exemptions and tax credits due.
Deferred taxes are recognized for temporary differences between the carrying amount of an asset or liability and its value for tax purposes. Deferred tax assets, including those arising from tax losses carried forward and unused tax credits, are recognized to the extent that it is probable that future taxable income will be available to allow for their recovery.

Deferred tax assets and liabilities are determined according to the tax rates that are applicable in the years during which the temporary differences are realized or settled in the respective countries in which the Group's companies operate.

The consolidated financial statements recognize provisions for taxes owed in the event of the distribution of profits and reserves by subsidiaries, excluding those relating to profits and reserves that are not considered likely to be distributed in the foreseeable future.

Earnings per share

Earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary and savings shares by the weighted average number of shares in issue during the period.

Business segments

A business segment is a separately identifiable business component whose function is to provide an individual product or service or series of products and services and which is subject to different risks and returns from those of other business segments.

Criteria for converting items expressed in foreign currency

Consolidated financial statements are prepared in euro. Group Companies establish the functional currency for their financial statements. Foreign currency items are initially booked at the exchange rate (related to the functional currency) on the date of the transaction. Monetary assets and liabilities expressed in foreign currency are converted into the functional currency at the exchange rate on the balance sheet date. Any exchange difference is booked in the income statement. Non monetary items measured at historical cost expressed in foreign currency are converted by using the foreign exchange rate on the date of first recognition of the transaction.

Other information

With reference to the disclosure required by Consob it has to be noted the following: significant transactions and accounts with Related Parties, already described in the Note No. 42 on Related Parties transactions, have been separately disclosed in the accounting schemes, if relevant. In particular, the only significant transaction identified is the tax consolidation agreement with S.G.G. Holding S.p.A.
There are not unusual and non recurring transactions to be noted.
Net financial position has been disclosed in the Note No. 24 Cash and cash equivalents.

All amounts stated in the Notes and in the Financial Statements are expressed in thousands of euro unless otherwise specified.

3. Net sales

Consolidated net sales for 2007 were € 167,228 thousand, up 0.3% on the figure of € 166,720 thousand recorded in 2006. The increase in sales, net of the exchange rate effect, which produced a decrease of 6.8%, was 7.1%.

Compared to the previous year, the sales mix improved and there were constant growth of sales of components of flat panels (Flat Panel Displays Business Area) and progress of sales in the Advanced Materials Business Development Unit, only partly offset by the decline of sales in the Cathode Ray Tube Business Area due to the high degree of maturity of the traditional cathode ray tube market. The Industrial Applications Business Unit was also up on 2006. Within the Unit, the Semiconductors Business Area and Electronic Devices Business Area were on the rise, whereas the remaining Business Areas within the aggregate were down.

A breakdown of net sales according to Business Unit and Business Area is given below. We report that net sales of getters for solar collectors, previously included in the Vacuum Systems and Thermal Insulation Business Area, were allocated to the Electronic Devices Business Area in 2007; the 2006 figures have consequently been reclassified to provide a consistent basis of comparison.

(thousands of euro)

Business Unit and Business Area	2007	2006	Difference	Difference %
Flat Panel Displays	90,259	81,058	9,201	11.4%
Cathode Ray Tubes	18,423	29,152	(10,729)	-36.8%
Subtotal Information Displays	**108,682**	**110,210**	**(1,528)**	**-1.4%**
Lamps	11,177	13,050	(1,873)	-14.4%
Electronic Devices	17,143	15,153	1,990	13.1%
Vacuum Systems and Thermal Insulation	4,311	6,390	(2,079)	-32.5%
Semiconductors	22,895	19,969	2,926	14.7%
Subtotal Industrial Applications	**55,526**	**54,562**	**964**	**1.8%**
Subtotal Advanced Materials	**3,020**	**1,948**	**1,072**	**55.0%**
Total Net Sales	**167,228**	**166,720**	**508**	**0.3%**

Legend:

Information Displays Business Unit	
Flat Panel Displays	Getters and metal dispensers for flat panel displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
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 getters for thermal insulated devices
Semiconductors	Gas purifier systems for the semiconductor industry and other industries
Advanced Materials Business Development Unit	
Advanced Materials	Getters for microelectronic and micromechanical systems, optical crystals, shape memory alloys

4. Cost of sales

The figure posted in the income statement for 2007 was € 64,731 thousand, up by € 6,365 thousand on the figure of € 58,366 thousand recorded in the previous year.

A breakdown of the cost of sales according to Business Unit is given below:

(thousands of euro)

	2007	2006	Difference
Information Displays	33,351	27,438	5,913
Industrial Applications	27,552	28,943	(1,391)
Advanced Materials & Corporate Costs	3,828	1,985	1,843
Cost of sales	**64,731**	**58,366**	**6,365**

The Information Displays Business Unit posted an increased cost of sales, despite the fall in net sales, primarily due to significant non-recurring costs, including the write-down of residual goodwill on the acquisition in 2006 of a 35% shareholding in SAES Getters Nanjing Co., Ltd. (€ 804 thousand), the write-down of the customer list relating to the same transaction (€ 1,173 thousand), the write-down of non-strategic production lines at the Lainate facility (€ 1,370 thousand), and restructuring costs related to the CRT business (€ 1,471 thousand).
The Industrial Applications Business Unit showed a clear decrease in the cost of sales, primarily due to the improved sales mix and reduced manufacturing overhead as compared to the previous year.
The costs of the Advanced Materials Business Development Unit were up, primarily due to the increase in net sales, as well as the impact of the write-down of production equipment at the Avezzano facility (€ 457 thousand) dedicated to the manufacturing of shape-memory alloys (SMA), which is to be integrated into the SAES Smart Materials, Inc. facility.

A breakdown of the cost of sales according to category is given below:

(thousands of euro)

	2007	2006	Difference
Raw materials	21,718	19,983	1,735
Direct labour	10,894	11,734	(840)
Manufactoring overhead	30,480	27,088	3,392
(Increase) decrease in inventory	1,639	(439)	2,078
Cost of sales	**64,731**	**58,366**	**6,365**

The increase in the item "Raw materials" was primarily due to the increased weight of the Information Displays Business Unit.
Direct labour decreased primarily in the Information Displays Business Unit due to rationalization in the Cathode Ray Tubes Business Area, the impact of which was only partly offset by the increase in the Advanced Materials Business Development Unit, generated by volume growth.
The increase in manufacturing overhead was driven chiefly by the aforementioned non-recurring costs.

5. Operating expenses

Operating expenses totalled €54,405 thousand (€50,499 thousand in the previous year), broken down as follows:

(thousands of euro)

	2007	2006	Difference
Research & development expenses	17,752	15,476	2,276
Selling expenses	12,701	13,568	(867)
General & administrative expenses	23,952	21,455	2,497
Total operating expenses	**54,405**	**50,499**	**3,906**

On the whole, operating expenses were up by €3,906 thousand. In further detail, the increases included research and development expenses (greater labour costs and research materials, write-downs of fixed assets) and general and administrative expenses (greater labour costs and expenses of consulting, primarily related to special projects), whereas selling expenses were down (due mainly to a decline in labour costs).

A breakdown of total expenses included in the cost of sales and in operating expenses is given below:

(thousands of euro)

	Total costs by nature		
	2007	**2006**	**Difference**
Personnel cost	42,908	42,877	31
Travel expenses	1,835	1,877	(42)
Maintenance and repairs	3,798	3,895	(97)
Depreciation	10,306	10,038	268
Amortization	1,310	845	465
Corporate bodies	4,023	4,130	(107)
Material and office material	5,916	5,255	661
Insurance services	830	775	56
Write down of non current assets	4,595	453	4,142
Promotion and advertising	504	398	106
Provision for bad debts	98	241	(143)
Consultant fees and legal expenses	5,967	4,382	1,585
Rent office	420	494	(74)
Licenses and patents	1,502	1,467	35
Utilities	4,059	3,849	210
Transport, insurance and freight	1,921	1,552	369
Commissions	719	566	153
General duties (canteen, cleaning, vigilance)	1,469	1,500	(31)
Recovery of transport, insurance and freight	(423)	(533)	110
Other recovery	(1,129)	(791)	(338)
Other expenses	5,151	6,052	(901)
Total costs by nature	**95,779**	**89,321**	**6,458**

Total labour costs came to € 42,908 thousand, in line with the € 42,877 thousand recorded in 2006, consistent with the trend of the average number of salaried employees, gross of the effect of the extraordinary redundancy fund (C.I.G.S.), which was substantially in line with 2006.
We report that labour costs for the year were reduced by € 713 thousand in income resulting from the recalculation of the defined-benefit plans of the Italian companies in application of IAS 19 following the entry into force of the 2007 Finance Law and associated implementation decrees. For further details, the reader is referred to Note No. 30.

The item "Write-down of non-current assets" was up on 2006 due to the effect of write-downs recorded in 2007, which, in addition to those figured into selling expenses (the reader is referred to the corresponding paragraph for further details), include write-downs of research projects, equipment and licenses no longer in use for a total of € 771 thousand.

The increase in the item "Consultant fees and legal expenses" may be attributed to greater non-recurring costs related to special projects.

The item "Corporate bodies" includes the fee due to Directors (which fell from € 3,975 thousand in the 2006 to € 3,869 thousand in 2007), the Statutory Auditors (which decreased from € 69 thousand in 2006 to € 68 thousand in 2007), the Audit Committee (€ 34 thousand, unchanged from 2006) and the Oversight Committee (€ 52 thousand, unchanged from 2006).

The following table shows the fee paid to Directors, Statutory Auditors, General Managers, and managers with strategic responsibilities (pursuant to Article 78 of Consob resolution No. 11971 of May 14, 1999):

(thousands of euro)

Surname and name	Position	Duration (Shareholders Resolution dated April 27, 2006)	Compensation for the position	Non monetary benefit	Bonus and others incentives	TFM and PNC*	Other compen-sation
Board of Directors							
della Porta Paolo	President	from January 1, 2006 until December 31, 2008	420	a 1	349	215	b 1
della Porta Massimo	Vice President and Managing Director	from January 1, 2006 until December 31, 2008	610	a 7	523	322	b 1
Canale Giulio	Managing Director	from January 1, 2006 until December 31, 2008	510	a 7	523	284	b 1
Rolando Giuseppe	Director	from January 1, 2006 until December 31, 2008	10	a 3			d 112
Baldi Stefano	Director	from January 1, 2006 until December 31, 2008	10				e 2
Berger Roberto (c)	Director	from January 1, 2006 until December 31, 2008	10				
Christillin Evelina	Director	from January 1, 2006 until December 31, 2008	10				
della Porta Giuseppe	Director	from January 1, 2006 until December 31, 2008	10				
De Maio Adriano	Director	from January 1, 2006 until December 31, 2008	10				f 9
Dogliotti Andrea	Director	from January 1, 2006 until December 31, 2008	10				e 2
Gilardoni Andrea	Director	from January 1, 2006 until December 31, 2008	10				
Sironi Andrea	Director	from January 1, 2006 until December 31, 2008	10				
Spinola Gianluca	Director	from January 1, 2006 until December 31, 2008	10				
Ugo Renato	Director	from January 1, 2006 until December 31, 2008	10				g 32
Total Board of Directors			**1,650**	**18**	**1,395**	**821**	**160**
Board of Statutory Auditors							
Donnamaria Vincenzo	Chairman of Board of Statutory Auditors	from April 27, 2006 until December 31, 2008	23				h 33
Civardi Maurizio	Statutory Auditors	from April 27, 2006 until December 31, 2008	15				e 4
Martinelli Alessandro	Statutory Auditors	from April 27, 2006 until December 31, 2008	15				i 6
Total Board of Statutory Auditors			**53**	**0**	**0**		**43**
Total Managers with strategic responsabilities			**661**	**0**	**0**		**0**

(a) compensation in the form of company car, healthcare assistance, check-ups, accident and extra-professional insurance;
(b) compensation for the position of director in subsidiaries;
(c) compensation of € 10 thousand for the position of director paid to the relative company;
(d) of which € 4 thousand for the position of member of the Supervisory Board in subsidiaries, € 25 thousand for the position of Chairman of the Supervisory Board and member of the Audit Committee, and € 83 thousand as employee compensation;
(e) reimbursement of expenses;
(f) compensation for the position of member of the Audit Committee;
(g) of which € 16 thousand for the position of Chairman of the Audit Committee and € 16 thousand for the position of member of the Supervisory Board;
(h) of which € 16 thousand for the position of member of the Oversight Committee, € 8 thousand for reimbursement of expenses and € 9 thousand for the position of member of the Audit Committee in subsidiaries;
(i) compensation for the position of Statutory Auditor in subsidiaries;
* TFM: severance package for directors; PNC: covenant in restraint of competition for directors

6. Restructuring costs

In 2006, the item included an accrual of € 4,000 thousand for the process of rationalising and reorganising production in the Cathode Ray Tubes Business Area. The full balance of the provision was used in 2007.

7. Other income (expenses), net

In 2007 the Group adopted the use of *fair value* with a direct impact on the income statement for the accounting treatment of hedges against fluctuations in the expected cash flow from sales transacted in foreign currencies (USD and JPY).
This change in accounting methods resulted in the recognition of € 492 thousand in income in the first half of 2007 in relation to the release to the income statement of the shareholders' equity reserve accrued through December 31, 2006, corresponding with the effect of the hedges that satisfy the criteria for the application of the hedge accounting model.
The change in accounting criterion arises from the Group's differing approach to the management of exchange-rate risk following the introduction of a worldwide cash pooling agreement.
In 2006 these hedges were accounted for using the cash flow hedge accounting method and the item "Other income (expenses), net" included income components related to net sales for the period (€ 446 thousand in 2006).

8. Financial income / Financial expenses

Financial income is broken down as follows:

(thousands of euro)

	2007	2006	Difference
Bank interest income	3,136	2,205	931
Other financial income	158	52	106
Interest and other financial income	**3,294**	**2,257**	**1,037**

The item "Bank interest income" was up € 931 thousand on 2006, due to the rise in the average interest rate on bank deposits and better liquidity management through a cash pooling agreement.

Financial expenses may be analyzed as follows:

(thousands of euro)

	2007	2006	Difference
Bank interest expenses and other bank expenses	126	240	(114)
Other financial expenses	596	403	193
Interest and other financial expenses	**722**	**643**	**79**

Financial expenses totalled € 722 thousand, up from € 643 thousand in 2006.

We report that the item "Other financial expenses" included costs defined in contractual agreements entered into with third-party shareholders concurrent with the acquisition of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., under which said third-party shareholders are entitled to a fixed annual dividend. To account for this clause, which results in a share of the company's earnings that diverges from the Group's share of its equity, € 308 thousand in financial expenses were charged to income in 2007, compared with € 189 thousand in 2006.

9. Foreign exchange gains (losses), net

This item shows a total year-on-year increase of € 7,376 thousand and may be broken down as follows:

(thousands of euro)

	2007	2006	Difference
Foreign exchange gains	7,773	2,659	5,114
Foreign exchange losses	(4,854)	(4,759)	(95)
Gains from financial instruments evaluated at *fair value*	2,357	0	2,357
Total	**5,276**	**(2,100)**	**7,376**

The changes in foreign exchange gains and losses reflect the performance of exchange rates in 2007 compared to 2006.

The item "Gains from financial instruments evaluated at *fair value*" includes the income arising from the *fair value* measurement of hedges of changes in expected cash flows from sales transacted in foreign currencies (USD and JPY), the impact of which is entered into the income statement.
We report the change in the criterion with respect to the previous year, and refer the reader to Note No. 7 for further details. Without the change in principle, net income for the year would have decreased by € 840 thousand.

10. Income taxes

This item shows a total increase of € 381 thousand and is broken down as follows:

(thousands of euro)

	2007	2006	Difference
Current income taxes	21,112	22,534	(1,422)
Deferred taxes	1,397	356	1,041
Total	**22,509**	**22,890**	**(381)**

The item includes both current income taxes and accruals for deferred taxes.

In further detail, current taxes fell from € 22,534 thousand in 2006 to € 21,112 thousand in 2007. This drop was primarily driven by the increase in negative taxes levied on the Parent Company due to the increased tax loss and lesser current taxes levied on the Japanese associate by virtue of the drop in gross income, partly offset by the rise in current taxes levied on SAES Advanced Technologies S.p.A. and SAES Getters Korea Corporation to reflect the increase in the income earned by the latter during the period.
The item also includes positive adjustments made in relation to current taxes in the previous year totalling € 848 thousand, compared to a positive adjustment of € 364 thousand in 2006.

Total net deferred taxes rose from a negative balance of € 356 thousand in 2006 to a negative balance of € 1,397 thousand in 2007.
This change was chiefly due to the decline in deferred tax assets claimed by the Parent Company (for further details on which the reader is referred to Note No. 17), partly offset by the increase posted by several foreign subsidiaries, including SAES Getters America, Inc., due to the recognition of deferred tax assets generated by carrying forward past tax losses.

The effective tax rate fell from 42.17% in 2006 to 39.25% in the year to December 31, 2007 due to the lesser impact of accruals for taxes due in the event of the distribution of profits and the reserves of subsidiaries (further favoured by the decrease in the Ires tax rate to 27.5%), the improved sales mix by company/country, and the more positive effect of residual items (which include and benefit from the recognition of deferred tax assets generated by carrying forward tax losses from previous years by SAES Getters America, Inc.), partly offset by the negative impact of consolidation adjustments.
This effect was due to several consolidation adjustments, which had a negative impact on income before taxes, without generating the correlated tax effect (including the elimination of dividends and the write-down of goodwill and intangible assets emerging exclusively on consolidation), resulting in an increase in the effective tax rate.

The following table shows the reconciliation of theoretical taxes payable on the basis of the tax rates in force in Italy (Ires and Irap) with the actual taxes payable according to the Consolidated Financial Statements:

(thousands of euro)

	2007		2006	
	Amount	**Percentage**	**Amount**	**Percentage**
Income before taxes	**57,352**		**54,281**	
Theorical tax charge	21,364	37.25%	20,220	37.25%
Effect of different tax rates applicable to Group Companies	(3,108)	-5.42%	(1,857)	-3.42%
Non-deducible expenses, consolidation adjustments and write downs of deferred tax assets	6,366	11.10%	2,538	4.68%
Taxes on sussidiaries' accumulated profits and taxes on dividends	(822)	-1.43%	1,544	2.84%
Irap	(382)	-0.67%	222	0.41%
Other	(909)	-1.58%	223	0.41%
Actual tax charge	**22,509**	**39.25%**	**22,890**	**42.17%**

The following table shows the breakdown of deferred taxes posted in the balance sheet of the Consolidated Financial Statements as at December 31, 2007 and December 31, 2006, respectively, according to the nature of the temporary differences that generated the deferred tax effects:

(thousands of euro)

	2007		2006	
	Temporary differences	**Fiscal effect**	**Temporary differences**	**Fiscal effect**
Intercompany profit elimination	14,354	4,449	16,999	5,439
Write downs of inventory	1,998	674	3,003	1,093
Write downs of receivables	(373)	(118)	220	33
IAS 17 effect	(4,067)	(1,284)	(4,202)	(1,565)
Application of cash flow hedge IAS 39	0	0	(457)	(170)
Write downs of investments	0	0	3,082	1,017
Taxed provisions	723	275	4,911	1,632
Cash deductible fees	2,946	862	2,937	1,053
Other	5,384	1,568	2,496	653
Losses that can be carried forward by foreign companies	49,086	14,949	47,737	14,746
Value adjustments of deferred tax assets to losses that can be carried forward by foreign companies		(14,678)		(14,746)
Deferred tax assets		**6,697**		**9,185**

The following table shows the composition of the deferred tax liabilities recorded in the Consolidated Financial Statements as at December 31, 2007 and December 31, 2006 according to the nature of the temporary differences that generated the deferred tax effects:

(thousands of euro)

	2007		2006	
	Temporary differences	**Fiscal effect**	**Temporary differences**	**Fiscal effect**
Tax due on distribution of earnings accumulated by subsidiaries	44,246	4,564	41,070	5,386
Deferred tax liabilities		**4,564**		**5,386**

It should be noted that, with effect from May 12, 2005, the Parent Company SAES Getters S.p.A. and the subsidiary SAES Advanced Technologies S.p.A. signed an agreeement for tax consolidation with S.G.G. Holding S.p.A., the company that controls SAES Getters S.p.A:, thus exercising the group taxation option offered in Article 117 of the Italian Income Tax Consolidation Act (TUIR), with the effects set out in Article 118 of said Act.

11. Earnings per share

Earnings per share were calculated by dividing the period income of the SAES Getters Group by the average number of shares in issue in 2007. The following table analyzes earnings per share for 2007 compared with the corresponding figures for 2006:

Earnings per share	**2007**	**2006**
Number of ordinary shares:	15,271,350	15,271,350
Number of savings shares:	7,460,619	7,460,619
Total number of shares:	**22,731,969**	**22,731,969**
Average number of ordinary treasury shares:	328,047	302,028
Average number of savings treasury shares:	16,356	10,013
Average number of treasury shares:	**344,403**	**312,041**
Average number of outstanding ordinary shares:	14,943,303	14,969,322
Average number of outstanding savings shares:	7,444,263	7,450,606
Average number of outstanding shares:	**22,387,566**	**22,419,928**
Earning attributable to ordinary shares from continuing operations	23,023	21,272
Earning attributable to savings shares from continuing operations	11,721	10,706
Earning attributable to shareholders from continuing operations	**34,744**	**31,978**
Earning (losses) arrtibutable to ordinary shares from discontinuing operations	83	(392)
Earning (losses) arrtibutable to savings shares from discontinuing operations	42	(195)
Earning (losses) arrtibutable to shareholders from discontinuing operations	**125**	**(587)**
Earnings attributable to ordinary shares	23,106	20,880
Earnings attributable to savings shares	11,763	10,511
Earnings attributable to shareholders	**34,869**	**31,391**
Earning per share from continuing operations (€):		
- ordinary shares	1.5407	1.4210
- savings shares	1.5745	1.4370
Earnings (losses) per share from discontinuing operations (€):		
- ordinary shares	0.0056	(0.0262)
- savings shares	0.0056	(0.0262)
Earning per share (€):		
- ordinary shares	1.5463	1.3948
- savings shares	1.5801	1.4108

12. Discontinued operations

At December 31, 2006, the process of disposing of the assets of the subsidiary SAES Getters Technical Service (Shanghai) Co. Ltd. (hereinafter "SGT") was underway. In application of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, the *fair value* of the above company's non-current assets was calculated on the basis of their market value, recording €498 thousand in income in relation to the portion of previously recognized impairment losses on assets that was fully covered by their *fair value* (net of any costs directly attributable to the disposal of the assets).

In 2007 the foregoing non-current assets were sold to a local buyer. This sale generated a further capital gain of €453 thousand. For further details, the reader is referred to Note No. 25.

The net result from discontinued operations in 2007 and 2006 may be analyzed as follows:

(thousands of euro)

	2007	2006
SGT earning (loss) for the period	125	(1,085)
fair value of SGT building		498
Net result of discontinuing operations	**125**	**(587)**

The following table provides a summary of the cash flow statement of SAES Getters Technical Service (Shanghai) Co., Ltd. for 2007 and 2006:

(thousands of euro)

	December 31, 2007	December 31, 2006
Cash flow from operating ativities	1,757	321
Cash flow from financing ativities	(1,943)	(470)
Increase (decrease) in cash and cash equivalents	**(186)**	**(149)**

13. Segment reporting

The income statement and balance sheet values shown in the following analytical statements are described for primary business segments in accordance with IAS 14.

There are two primary business segments identified on the basis of the products developed and sold: Information Displays and Industrial Applications. The column "Not allocated" includes corporate income statement and balance sheet values and income statement and balance sheet values relating to research and development projects undertaken to achieve diversification in the area of advanced materials, as well as any other income statement and balance sheet values that cannot be allocated to primary segments. The presentation shown reflects the Group's organizational and internal reporting structure.

We report that the result of discontinued operations presented in the consolidated income statement pertains solely to the Industrial Applications Business Unit.

The main income statement figures relating to the primary business segments identified are as follows:

(thousands of euro)

	Continuing Operations						Discontinuing Operations		Total	
	Information Displays		Industrial Applications		Not allocated		Industrial Applications			
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Total Net Sales	**108,682**	**110,210**	**55,487**	**53,739**	**3,020**	**1,948**	**39**	**823**	**167,228**	**166,720**
Gross Profit (Loss)	**75,331**	**82,772**	**27,948**	**25,929**	**(808)**	**(37)**	**26**	**(310)**	**102,497**	**108,354**
% on net sales	69.3%	75.1%	50.4%	48.2%	-26.8%	-1.9%	66.7%	-37.7%	61.3%	65.0%
Total operating expenses	(26,318)	(20,607)	(12,872)	(15,861)	(14,974)	(13,501)	(241)	(530)	(54,405)	(50,499)
Restructuring costs		(4,000)							-	(4,000)
Other income (expenses), net	804	424	150	186	42	35	(37)	28	959	673
Operating Income (Loss)	**49,817**	**58,589**	**15,226**	**10,254**	**(15,740)**	**(13,503)**	**(252)**	**(812)**	**49,051**	**54,528**
% on net sales	45.8%	53.2%	27.4%	19.1%	N,S,	N,S,	-646.2%	-98.7%	29.3%	32.7%
Shares of result of investments accounted for using the equity method						(259)				(259)
Net income (loss) on discontinuing operations							453	498	453	498
Interest and other financial income, net									2,572	1,614
Foreign exchange gains (losses), net									5,276	(2,100)
Income before taxes									**57,352**	**54,281**
Income taxes									(22,509)	(22,890)
Net income									**34,843**	**31,391**
Minority interst in consolidated subsidiaries									(26)	-
Group net income (loss)									**34,869**	**31,391**

The main balance sheet figures relating to the primary business segments are as follows:

(thousands of euro)

Assets and liabilities	Continuing Operations						Discontinuing Operations				Total	
	Information Displays		Industrial Applications		Not allocated		Industrial Applications		Not allocated			
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Non current assets	30,688	35,506	20,241	20,147	23,128	23,270	0	0	0	0	74,057	78,923
Current assets	25,301	31,677	21,051	20,225	83,189	101,798	0	1,692	0	324	129,541	155,716
Total assets	**55,989**	**67,183**	**41,292**	**40,372**	**106,317**	**125,068**	**0**	**1,692**	**0**	**324**	**203,598**	**234,639**
Non current liabilities	4,625	9,095	4,184	4,450	8,440	9,344	0	0	0	0	17,249	22,889
Current liabilities	12,685	12,821	6,846	7,753	20,013	22,064	0	57	0	0	39,544	42,695
Total liabilities	**17,310**	**21,916**	**11,030**	**12,203**	**28,453**	**31,408**	**0**	**57**	**0**	**0**	**56,793**	**65,584**
Other segment information												
Capital expenditure	6,309	5,953	3,501	3,037	5,372	2,559					15,182	11,549
Depreciation and amortization	6,579	5,995	2,724	3,107	2,313	1,718		63			11,616	10,883
Non cash expeses other than depreciation and amortization	7,132	7,564	1,115	1,618	1,759	673	75	460			10,081	10,315

The following table shows an analysis of net sales by geographical location of customers:

(thousands of euro)

	2007	2006	Difference
Italy	1,069	1,013	56
Other EU and Europe	19,343	20,055	(712)
North America	16,773	17,996	(1,223)
Japan	39,726	41,631	(1,905)
South Korea	34,584	34,317	267
Other Asia	54,559	49,294	5,265
Other	1,174	2,414	(1,240)
Total Net Sales	**167,228**	**166,720**	**508**

The analysis of net sales by geographical area shows significant, mutually balancing changes in the various areas. There was a considerable increase in the Other Asia area, due to increased sales of mercury dispensers used in cold cathode fluorescent lamps, partly offset by the decrease in sales in the traditional cathode-tube market. Sales were down in North America, primarily due to the effect of lesser sales in the Cathode Ray Tubes Business Area, as well as on the Japanese market, where there was a decline in sales in the Flat Panel Displays and Lamps Business Areas.

Geographical areas

(thousands of euro)

2007	Europe Italy	Other Europe	United States of America	Asia Japan	Other Asia	(3) Adjustments	Consolidated
Total assets (1)	175,883	20,843	31,221	10,438	55,061	(89,848)	**203,598**
Capital expenditure (2)	13,531	47	1,100	32	472	0	**15,182**
2006							
Total assets (1)	201,883	16,886	22,088	14,569	56,291	(77,078)	**234,639**
Capital expenditure (2)	9,379	32	386	0	1,752	0	**11,549**

(1) This includes the total assets carried in the balance sheet of Group companies belonging to the segment, net of adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to the same geographical area.
(2) This includes the total investments made by Group companies belonging to the segment, net of adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to the same geographical area.
(3) This refers to adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to different geographical areas.

The following table provides a breakdown of accounts receivable by geographical area, based on the residence of the creditor as at December 31, 2007:

(thousands of euro)

	Italy	Other Europe	United States of America	Japan	Other Asia	Other	Consolidated
Trade receivables	329	3,845	3,227	5,206	14,439	102	**27,148**
Derivative financial instruments evaluated at *fair value*	1,769	0	0	0	0	0	**1,769**
Other receivables	13,083	112	790	179	499	0	**14,663**
Total receivables	**15,181**	**3,957**	**4,017**	**5,385**	**14,938**	**102**	**43,580**

The following table provides a breakdown of accounts payable by geographical area, based on the residence of the debtor as at December 31, 2007:

(thousands of euro)

	Italy	Other Europe	United States of America	Japan	Other Asia	Other	Consolidated
Bank overdraft	3,062	249	0	0	0	0	**3,311**
Trade payables	7,425	838	948	443	395	0	**10,049**
Other payables	16,376	248	785	1,021	6,737	0	**25,167**
Total payables	**26,863**	**1,335**	**1,733**	**1,464**	**7,132**	**0**	**38,527**

14. Property, plant and equipment

Total property, plant and equipment, less accumulated depreciation, came to €60,317 thousand on December 31, 2007 and €61,625 thousand on December 31, 2006.

The changes are shown below:

(thousands of euro)

Net book value	Land	Buildings	Land and Buildings	Plant and machinery	Assets under construction and advances	Total
Balance at December 31, 2006	**1,678**	**27,145**	**28,823**	**29,956**	**2,846**	**61,625**
Additions	0	504	504	8,465	3,048	12,017
Disposals		(1)	(1)			(1)
Reclassifications		99	99	3,080	(3,179)	0
Depreciation		(1,321)	(1,321)	(9,044)		(10,365)
Write downs				(1,958)		(1,958)
Conversion differences	(107)	(565)	(672)	(316)	(13)	(1,001)
Balance at December 31, 2007	**1,571**	**25,861**	**27,432**	**30,183**	**2,702**	**60,317**
Balance at December 31, 2006						
Historical cost	1,678	40,290	41,968	112,716	2,846	157,530
Accumulated depreciation and write downs	0	(13,145)	(13,145)	(82,760)	0	(95,905)
Net book value	**1,678**	**27,145**	**28,823**	**29,956**	**2,846**	**61,625**
Balance at December 31, 2007						
Historical cost	1,571	39,704	41,275	119,619	2,702	163,596
Accumulated depreciation and write downs	0	(13,843)	(13,843)	(89,436)	0	(103,279)
Net book value	**1,571**	**25,861**	**27,432**	**30,183**	**2,702**	**60,317**

The item "Land and buildings" includes assets redeemed by the Group's Italian companies at the end of finance leases with a net book value of €4,062 thousand at December 31, 2007 (compared with €4,250 thousand at December 31, 2006). There are no finance leases currently in progress.

The changes occurring during the previous year are shown below:

(thousands of euro)

Net book value	Land	Buildings	Land and Buildings	Plant and machinery	Assets under construction and advances	Total
Balance at December 31, 2005	**1,477**	**27,033**	**28,510**	**29,440**	**2,543**	**60,493**
Additions	298	978	1,276	4,673	4,934	10,883
Disposals			0	(85)		(85)
Reclassifications		887	887	3,888	(4,627)	148
Reclassifications to "Non current assets held for sale"		(1,371)	(1,371)			(1,371)
Acquisitions		1,031	1,031	1,783		2,814
Depreciation		(1,316)	(1,316)	(8,832)		(10,148)
Write downs			0	(453)		(453)
fair value of non current assets held for sale		498	498			498
Differenze di conversione	(97)	(595)	(692)	(458)	(4)	(1,154)
Balance at December 31, 2006	**1,678**	**27,145**	**28,823**	**29,956**	**2,846**	**61,625**
Balance at December 31, 2005						
Historical cost	1,477	40,410	41,887	104,267	2,543	148,697
Accumulated depreciation and write downs	0	(13,377)	(13,377)	(74,827)		(88,204)
Net book value	**1,477**	**27,033**	**28,510**	**29,440**	**2,543**	**60,493**
Balance at December 31, 2006						
Historical cost	1,678	40,290	41,968	112,716	2,846	157,530
Accumulated depreciation and write downs	0	(13,145)	(13,145)	(82,760)	0	(95,905)
Net book value	**1,678**	**27,145**	**28,823**	**29,956**	**2,846**	**61,625**

The main changes affecting property, plant and equipment can be summarized as follows:

Land and buildings

This item posted a total net decrease of € 1,391 thousand year-on-year.
The increases for the year were due to € 504 thousand in new acquisitions, primarily related to the completion of a new industrial facility established by the subsidiary SAES Advanced Technologies S.p.A., and € 99 thousand in reclassifications from the item "Work in progress and payments on account".
The decreases for the year were related to depreciation (€ 1,321 thousand), net transfers (€ 1 thousand) and negative differences arising from the conversion of foreign currency items (€ 672 thousand).

Plant and equipment

A total net increase of € 227 thousand was recorded in comparison with the previous year.
Period increases were due to new purchases (€ 8,465 thousand) as well as reclassifications from assets in progress (€ 3,080 thousand, primarily attributable to the

Parent Company and the subsidiary SAES Advanced Technologies S.p.A.). New purchases consist primarily of the investments by the Parent Company and the subsidiary SAES Advanced Technologies S.p.A. in specific plant and equipment to build new production lines and improve and expand those already existing. In addition, the subsidiary SAES Opto Materials S.r.l. purchased machinery and equipment after the "Opto" going concern was acquired from Scientific Materials Europe S.r.l. (a 30% shareholding in which had been sold by SAES Getters S.p.A. in the first half of 2007).
The period decreases were related to depreciation (€ 9,044 thousand), write-downs (€ 1,958 thousand) and negative differences arising from the conversion of foreign currency items (€ 316 thousand). Write-downs, which totalled € 1,958 thousand, include the write-down of a SMA production line of the subsidiary SAES Advanced Technologies S.p.A., dedicated to the production that will then be integrated into the new facility of SAES Smart Materials, Inc. and the write-down of production lines at the Lainate facility related to the OLED business that were deemed no longer strategic.

Assets under development and advances

The balance as at December 31, 2007 was € 2,702 thousand compared with € 2,846 thousand in 2006.

The decrease with respect to 31 December 2006 was due to the lower value of the projects for laboratory instruments, improvements to buildings, plant and equipment for the creation of new production lines and for the expansion of existing production lines compared with those completed during the year, principally by the Parent Company and the subsidiary SAES Advanced Technologies S.p.A.

15. Intangible assets

Total intangible assets, less amortisation, were € 6,150 thousand as at December 31, 2007 and € 7,039 thousand as at December 31, 2006.

The changes are shown below:

(thousands of euro)

Net book value	Goodwill	Research & development costs	Industrial and other patent rights	Concessions, licences, trademarks and similarrights	Other intangible assets	Assets under development and advances	Total
Balance at December 31, 2006	**4,928**	**0**	**508**	**969**	**216**	**418**	**7,039**
Additions	341		208	385	81	2,150	3,165
Reclassifications	(2,331)	183		17	2,314	(183)	0
Amortization		(37)	(261)	(234)	(788)		(1,320)
Write downs	(828)			(184)	(1,173)	(452)	(2,637)
Conversion differences			(24)	(35)	(2)	(36)	(97)
Balance at December 31, 2007	**2,110**	**146**	**431**	**918**	**648**	**1,897**	**6,150**
Balance at December 31, 2006							
Historical cost	4,928		1,944	5,450	4,290	611	17,223
Accumulated depreciation and write downs	0		(1,436)	(4,481)	(4,074)	(193)	(10,184)
Net book value	**4,928**	**0**	**508**	**969**	**216**	**418**	**7,039**
Balance at December 31, 2007							
Historical cost	2,938	183	2,109	5,645	6,583	2,548	20,006
Accumulated depreciation and write downs	(828)	(37)	(1,677)	(4,725)	(5,938)	(651)	(13,856)
Net book value	**2,110**	**146**	**431**	**918**	**648**	**1,897**	**6,150**

All intangible assets, except for goodwill, are considered to have finite useful lives, and are systematically amortized each year to account for their expected residual use. Goodwill is not subject to amortisation; rather, its recoverable value is periodically examined on the basis of the expected cash flows of the relative cash generating unit (impairment testing).

The changes occurring during the previous year are shown below:

(thousands of euro)

Net book value	Goodwill	Industrial and other patent rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Assets under development and advances	Total
Balance at December 31, 2005	**0**	**652**	**1,738**	**237**	**68**	**2,695**
Additions		157	16	137	356	666
Reclassifications			(148)			(148)
Reclassifications to "Non current assets held for sale"			(300)			(300)
Change in consolidation area	4,928		254			5,182
Amortization		(272)	(513)	(154)		(939)
Write downs						0
Conversion differences		(29)	(78)	(4)	(6)	(117)
Balance at December 31, 2006	**4,928**	**508**	**969**	**216**	**418**	**7,039**
Balance at December 31, 2005						
Historical cost	0	1,880	5,246	4,258	261	11,645
Accumulated depreciation and write downs	0	(1,228)	(3,508)	(4,021)	(193)	(8,950)
Net book value	**0**	**652**	**1,738**	**237**	**68**	**2,695**
Balance at December 31, 2006						
Historical cost	4,928	1,944	5,450	4,290	611	17,223
Accumulated depreciation and write downs	0	(1,436)	(4,481)	(4,074)	(193)	(10,184)
Net book value	**4,928**	**508**	**969**	**216**	**418**	**7,039**

The main changes affecting intangible assets can be summarized as follows:

Goodwill

The item Goodwill amounted to € 2,110 thousand at 31 December 2007, compared to € 4,928 thousand at December 31, 2006, and includes both the goodwill recognized on the balance sheets of consolidated companies (particularly SAES Opto Materials S.r.l.) and goodwill arising from initial consolidation not attributed to the greater unrealized values of assets, liabilities, and contingent liabilities of companies included in the scope of consolidation.
The increase in the item of € 341 thousand was due to the goodwill generated on the financial statements of SAES Opto Materials S.r.l. following the acquisition of the "Opto" going concern from Scientific Materials Europe S.r.l. and represents the residual amount (€ 2,200 thousand) by which the purchase cost exceeded the *fair value* of the assets and liabilities acquired.
In application of IFRS 3 ("Business combinations"), in the first half of 2007 the Group measured all of the assets and liabilities of Dr. -Ing. Mertmann Memory-Metalle GmbH at their *fair value* on the date of acquisition (May 2006). This resulted in the recalculation of the goodwill that arose at the time of initial consolidation following the acquisition. This goodwill, which had been calculated temporarily in 2006, was assigned for € 572 thousand to company know-how and will be amortized over four years according to its estimated useful life.
In further application of IFRS 3, part of the goodwill arising from the acquisition of the 35% shareholding in SAES Getters (Nanjing) Co., Ltd. was attributed to the company's customer portfolio (€ 1,759 thousand).
The reader is referred to the item "Other" for further details.

The remaining unallocated portion of goodwill arising from the acquisition of the 35% shareholding in SAES Getters (Nanjing) Co., Ltd. (€ 804 thousand) was not amortized, but rather tested for impairment under IAS 36 and written down to zero.
The cash flows generated by the Cathode Ray Tubes Business Area, the cash-generating unit to which said goodwill was allocated, were calculated for the purposes of impairment testing.
The main assumptions underlying the calculation of value in use are the projected revenues associated with the cash-generating unit, estimates of cost trends for the time-horizon considered in the calculation, and the discounting rate.
Projected revenues, which are provided in the multi-year plans prepared by the Group and approved by its Board of Directors, extend over a four-year time horizon and are in line with current and expected scenarios for the cathode ray tube market, which call for a steady downturn over the time horizon considered.
Cost estimates for the cash generating unit take into account production volumes pertaining to the revenues considered in the estimates in terms of variable costs; other operating costs are estimated on the basis of the current production and commercial structures, along with certain actions aimed at achieving a balanced production structure projected for the future in line with trends in the cathode ray tube market.
The discounting rate of 9.5% is an expression of the weighted average cost of capital, consisting of the weighted average of the cost of capital (calculated as the sum of the return on risk-free activities plus a risk premium) and the cost of financial debt.
Write-downs, in addition to the write-down of € 804 thousand to the goodwill arising from the acquisition of the 35% shareholding in SAES Getters (Nanjing) Co., Ltd., include the write-down equal to € 24 thousand of part of the goodwill arising from the acquisition of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd.
The cash flows generated by the cash-generating unit to which the goodwill was allocated were calculated for the purposes of impairment testing.
The reader is referred to the foregoing paragraph for the main assumptions and the discounting rate employed.
The revenue projections set out in the long-term plans drafted by the Group and approved by the Board of Directors cover a four-year time horizon and are consistent with current and expected scenarios for the markets on which the company operates.
The estimates of costs pertaining to the cash-generating unit take account of the production volumes related to the revenues considered in the estimates in calculating variable costs. Other operating costs were estimated by taking account of current production and commercial structures.

Research and development costs

The item came to € 146 thousand at December 31, 2007, whereas no research projects satisfied the requirements for compulsory capitalization in 2006.
The increases for the year of € 183 thousand were due to reclassifications from assets in progress due to the closure of the development job order relating to the PageWafer product for MEMS.
Amortisation totalled € 37 thousand for the year.

Industrial and other patent rights

The balance as at 31 December 2007 was € 431 thousand compared with € 508 thousand as at 31 December 2006.

Increases of € 208 thousand were recorded during the year principally corresponding to the purchase of software both on an ownership basis and on the basis of a user license by the Parent Company, and decreases of € 261 thousand owing to amortisation for the year. In addition, there were negative conversion differences on items in foreign currencies totalling € 24 thousand.

Concessions, licenses, trademarks and similar rights

The end-of-year balance amounted to € 918 thousand compared with € 969 thousand at the end of last year.
The increases for the year included € 385 thousand in new purchases (primarily related to patents acquired by the subsidiary SAES Opto Materials S.r.l. following the acquisition of the "Opto" going concern from Scientific Materials Europe S.r.l.) and € 17 thousand in reclassifications to the item "Other".
Amortisation for the period totalled € 234 thousand, whereas translation differences on foreign currency entries had a negative effect of € 35 thousand.
A total of € 184 thousand in write-downs by the Parent Company of licenses no longer in use was also recorded during the year.

Other

At the end of the year, the item amounted to € 648 thousand as compared with € 216 thousand at 31 December 2006.
The increases for the period totalled € 81 thousand, in addition to € 2,314 thousand in reclassifications. Other changes during the year were related to depreciation (€ 788 thousand), write-downs (€ 1,173 thousand) and negative differences arising from the conversion of foreign currency items (€ 2 thousand).
As already discussed under the item "Goodwill", we report that reclassifications during the year included, in application of IFRS 3 ("Business Combinations"), the allocation to company know-how of part of the goodwill arising from the acquisition of Dr. -Ing. Mertmann Memory-Metalle GmbH (€ 572 thousand), and the allocation to the customer list of part of the goodwill generated by the acquisition of the 35% shareholding in SAES Getters (Nanjing) Co., Ltd. (€ 1,759 thousand).
In 2007, this customer list was amortized for € 586 thousand, whereas the remainder, € 1,173 thousand, was written down due to the decline of sales in the traditional cathode ray tube sector owing to the maturity of the segment.

Assets under development and advances

At the end of the year, these amounted to € 1,897 thousand as compared with € 418 thousand at 31 December 2006.
A total of € 2,150 thousand in increases were recorded during the year, primarily due to the capitalization by the Parent Company of the costs of the project to implement a new integrated information system (ERP), which is currently in progress, and the capitalization by SAES Smart Materials, Inc. of accessory legal and consulting costs directly attributable to the acquisition of the SMA division from Special Metals Corporation, which was completed on January 3, 2008.
These increases were partly offset by € 452 thousand in write-downs (including, in particular, the write-down of capitalized costs of a development job order related to the

OLED business no longer deemed strategic), € 183 thousand in reclassifications to the item "research and development costs", and € 36 thousand in negative translation differences.

16. Investments accounted for using the equity method

This value of this item was zero at December 31, 2007, compared to € 191 thousand at December 31, 2006.
The decrease was due to the sale of the 30% investment in Scientific Materials Europe S.r.l., which was concluded in May 2007.

17. Deferred tax assets

This item stood at € 6,697 thousand as at December 31, 2007, compared with € 9,185 thousand at December 31, 2006 and reflects the net balance of deferred taxes on the temporary differences between the value ascribed to assets and liabilities according to statutory criteria and the value ascribed for tax purposes, as well as the effect of consolidation adjustments. The decrease in deferred tax assets with respect to December 31, 2006 was chiefly due to the decrease recorded both by the Parent Company and the consolidation related to the reversal of capital gains on inter-company transfers of going concern. The Parent Company recorded a decrease in deferred tax assets due to the use of those accrued on the write-down of equity investments recorded in previous years and on the restructuring provision accrued at December 31, 2006, partly offset by the deferred tax assets generated by the write-downs of non-current assets in 2007.
The reader is referred to Note No. 10 for details of temporary differences.
Tax losses that may be carried forward totalled € 49,086 thousand at December 31, 2007 and the conditions of their use are established by the law of the countries in which the executive offices of the relative subsidiaries are located (the United States, China and Europe). Tax losses that may be carried forward without time restrictions totalled € 38,077 thousand and pertained almost exclusively to the subsidiary SAES Getters International Luxembourg S.A. Among the total potential deferred tax assets resulting from total tax losses that may be carried forward (€ 14,949 thousand at December 31, 2007), only € 271 thousand was recognized by virtue of the uncertainty surrounding their recoverability, given the tax code in force in Luxembourg.

18. Other long-term assets

The item may be broken down as follows:

(thousands of euro)

	December 31, 2007	December 31, 2006	Difference
Guarantee deposits	323	410	(87)
Other	570	473	97
Total	**893**	**883**	**10**

The item "Other" mainly consisted of investments made by U.S. subsidiaries in relation to the agreements for supplementary pension allowances agreed locally with employees.

Current assets

19. Inventory

The item in question is broken down as follows:

(thousands of euro)

	December 31, 2007	December 31, 2006	Difference
Raw materials, auxiliary materials and spare parts	7,743	7,717	26
Work in progress and semi-finished goods	3,040	4,028	(988)
Finished products and goods	5,406	6,640	(1,234)
Total	**16,189**	**18,385**	**(2,196)**

Inventory values are expressed net of the inventory allowance (€ 2,453 thousand as at December 31, 2007 compared with € 3,011 thousand as at December 31, 2006) in order to bring them into line with their estimated realizable value. During the year, € 326 thousand in inventory write-downs was charged to the income statement and € 731 thousand was released from the inventory allowance.
The decrease in inventory with respect to December 31, 2006 was principally due to the decline in stock in the Cathode Ray Tubes Business Area and the impact of negative translation differences arising from the performance of the euro against the main foreign currencies, partially offset by the change in the consolidation perimeter.
The item "Work in progress and semi-finished goods" includes the valuation according to the percentage of completion method of the contract work undertaken by the Parent Company, whose accrued margin amounted to € 4 thousand as at December 31, 2007 compared with € 13 thousand as at December 31, 2006.

20. Trade receivables

At December 31, 2007 the item in question is broken down as follows:

(thousands of euro)

	Gross value December 31, 2007	Bad debt provision December 31, 2007	Net value December 31, 2007	Net value December 31, 2006	Difference
Trade receivables	27,777	(629)	27,148	29,752	(2,604)

Trade receivables do not bear interests and generally are due between 30 and 120 days.

Trade receivables have been adjusted to bring them into line with their estimated realizable value. Changes in the bad debt provision are shown below:

(thousands of euro)

	December 31, 2007	December 31, 2006
Opening balance	**604**	**770**
Provision	206	428
Utilization	(2)	(250)
Reversal	(147)	(125)
Conversion differences	(32)	(219)
Closing balance	**629**	**604**

Trade receivables classified as due but not impaired were broken down as follows at December 31, 2007:

(thousands of euro)

	Total	Not yet due	Due but not impaired				
			less than 30 days	between 30 and 60 days	between 60 and 90 days	between 90 and 180 days	more than 180 days
Dec. 31, 2007	26,519	17,767	6,418	1,426	203	705	-
Dec. 31, 2006	29,148	21,751	4,816	1,156	367	1,018	40

21. Tax consolidation receivables from controlling company tax consolidation payables to controlling company

We report that, effective from May 12, 2005, SAES Getters S.p.A. and SAES Advanced Technologies S.p.A. adhered jointly in their capacity as subsidiaries to the tax consolidation program of S.G.G. Holding S.p.A., which directly controls SAES Getters S.p.A., exercising the option of Group taxation afforded by article 117 of the Consolidated Income Tax Act. Moreover, effective from tax year 2007, SAES Opto S.r.l., a subsidiary of SAES Getters S.p.A., adhered to the same tax consolidation program. The item “Tax consolidation receivables from the Controlling Company" includes the receivable claimed by SAES Getters S.p.A. and SAES Opto S.r.l. arising from adherence to the national tax consolidation program; the item "Tax consolidation payables to the Controlling Company" includes the payable due from SAES Advanced Technologies S.p.A. arising from adherence to the national tax consolidation program. The rise in tax consolidation receivables was primarily due to the increase in the Parent Company’s tax loss arising from greater decreases generated by dividends paid by subsidiaries and the release of provisions taxed in previous years. The tax consolidated payables of the subsidiary SAES Advanced Technologies S.p.A. was down on 2006, despite the higher effectives Ires tax burden for the year, due to the impact of larger payments on advanced payments in 2007.

22. Prepaid expenses, accrued income and other

This item, which includes current non-trade receivables from third parties, along with prepaid expenses and accrued income, shows a balance of € 5,410 thousand as at December 31, 2007, compared with € 5,479 thousand as at December 31, 2006.
The balances are broken down as follows:

(thousands of euro)

	Dec. 31, 2007	Dec. 31, 2006	Difference
Income taxes receivables	233	229	4
VAT receivables	3,023	3,353	(330)
Social security receivables	195	160	35
Personnel	59	129	(70)
Receivables in respect of public grants	585	480	105
Other	329	234	95
Total other receivables	**4,424**	**4,585**	**(161)**
Accrued income	173	42	131
Prepaid expenses	813	852	(39)
Total prepaid expenses and accrued income	**986**	**894**	**92**
Total prepaid expenses, accrued income and other	**5,410**	**5,479**	**(69)**

The item "Receivables in respect of Public Grants" includes the amounts accrued as at December 31, 2007 by the Parent Company (€ 309 thousand compared with € 204 thousand as at December 31, 2006), principally in relation to grants to cover the operating expenses of research projects in progress, and the residual sums claimed by the subsidiary SAES Advanced Technologies S.p.A. from the Ministry of Treasury, Budget and Economic Planning (€ 276 thousand, unchanged since December 31, 2006) in relation to the incentives outlined in the "Territorial Agreement for the Marsica Area".

23. Derivative financial instruments evaluated at *fair value*

The asset and liability items include, respectively, the assets and liabilities arising from the *fair value* measurement of hedges against changes in cash flows generated by foreign exchange future transactions, which are predominantly inter-company in nature, expected during the current and following year. In 2006 these hedges were recognized according to the cash flow hedge model; from 2007 forward, they will be measured at *fair value* and reported on the income statement for the period (for further details, the reader is referred to Note Nos. 7 and 9).

Without the change of the accounting principle, net result for the period would decrease by € 840 thousand and shareholders' equity would increase by € 70 thousand.

The Group's net result will continue to be influenced by the performance of the exchange rates between the euro and major currencies. We report that at December 31, 2007, the Group had entered into forward contracts on the U.S. dollar and Japanese yen to hedge receivables claimed on the balance sheet date and future receivables related to sales transacted in U.S. dollars and Japanese yen, in order to deal with the risk of the fluctuation in the current exchange rate on the balance sheet date.
The average forward exchange rate for contracts on the U.S. dollar (which have a total notional value of $17.1 million) is 1.3614 dollars to the euro. These contracts will extend throughout the first half of 2008. The average forward exchange rate for contracts on the Japanese yen (which have a total notional value of JPY 2,800 million) is JPY 153.98 to the euro. These contracts will extend throughout 2008.

24. Cash and cash equivalents

The balances are broken down as follows:

(thousands of euro)

	Dec. 31, 2007	Dec. 31, 2006	Difference
Bank deposit	70,655	94,893	(24,238)
Cash on hand	10	28	(18)
Total	**70,665**	**94,921**	**(24,256)**

The decrease in the item "Bank deposits" with respect to December 31, 2006 was primarily due to the dividends paid in 2007, the purchase of treasury shares, and investments in property, plant, and equipment, partly offset by the net cash provided by operating activities.

The item "Bank deposits" mainly consists of short-term deposits held by the Parent Company and by the subsidiaries SAES Getters Korea Corporation and SAES Smart Materials, Inc. with leading credit institutions.

The cash and cash equivalents held by the Group as at December 31, 2007 were denominated mainly in euro.

A breakdown is given below of the items making up the consolidated net financial position (in thousands of euro).

(thousands of euro)

	December 31, 2007	December 31, 2006
Cash	10	28
Cash equivalents	70,655	94,893
Total cash and cash equivalents	**70,665**	**94,921**
Other current financial assets	**1,769**	**388**
Bank overdraft	184	77
Current portion of long term debt	857	839
Other current financial liabilities	0	0
Total current liabilities	**1,041**	**916**
Non current financial position	**71,393**	**94,393**
Long term debt, net of current portion	2,270	3,047
Total non current liabilities	**2,270**	**3,047**
Net financial position	**69,123**	**91,346**

The decrease with respect to December 31, 2006 was chiefly driven by disbursements for the payment of dividends on 2006 earnings (€ 31,507 thousand), and the 2007 interim dividend (€ 12,314 thousand), the purchase of treasury shares (€ 5,685 thousand), and investments in property, plant, and equipment (€ 12,017 thousand). These uses of financial resources were partially offset by self-financing.

25. Non-current assets held for sale

At December 31, 2006, this item included the value of a building (€ 1,371 thousand) and the land use rights (€ 300 thousand) held by the subsidiary SAES Getters Technical Service (Shanghai) Co., Ltd. During 2007, the foregoing assets, along with machinery, which had previously been written down to zero, were sold to a local buyer. The sale generated a capital gain of € 453 thousand.

26. Group shareholders' equity

At December 31, 2007, shareholders' equity amounted to € 146,811 thousand, down by € 22,244 thousand on December 31, 2006. The changes that occurred during the period are described in the statement of changes in shareholders' equity.

The Consolidated Financial Statements include provisions for any taxes owed in the event of the distribution of the profits accumulated in previous years by the subsidiaries, excluding those associated with taxable temporary differences that are not expected to be settled in the foreseeable future in the form of a dividend distribution.

Capital stock

At December 31, 2007, capital stock, fully subscribed and paid-up, amounted to € 12,220 thousand and comprised 15,271,350 ordinary shares and 7,460,619 savings shares, for a total of 22,731,969 shares. The composition of capital stock is unchanged from December 31, 2006.

The implicit par book value per share was € 0.537569 at December 31, 2007.

The Parent Company's ordinary and savings shares are listed on the STAR segment of the *Mercato Telematico Azionario* dedicated to small-caps and mid-caps that meet specific requirements with regard to transparency of reporting, liquidity and corporate governance.

Share issue premium

This item includes amounts paid by shareholders in excess of the par value of new shares of the Parent Company underwritten in capital issues.
The item came to € 42,994 thousand at December 31, 2007, down from € 48,679 thousand at December 31, 2006. In 2007 the difference (€ 5,685 thousand) was transferred to the reserve for treasury shares in portfolio (an unavailable reserve).

Treasury shares

On October 25, 2007 the Board of Directors of SAES Getters S.p.A. resolved to proceed with the plan to purchase treasury shares in implementation of the resolution authorizing the plan passed by the Shareholders' Meeting on May 9, 2007.
From November 8, 2007 to December 31, 2007 SAES Getters S.p.A. purchased a total of 236,836 ordinary shares at an average price of € 19.948 per share, resulting in a total expenditure of € 4,725 thousand, and 51,382 savings shares at an average price of € 18.688 per share, resulting in a total expenditure of € 960 thousand.
At December 31, 2007, SAES Getters S.p.A. owned a total of 538,864 ordinary shares, representing 3.53% of total ordinary shares issued (of which 302,028 were already in portfolio at the start of the plan), and a total of 61,395 savings shares, representing 0.82% of non-convertible savings shares issued (of which 10,013 were already in portfolio).

SAES Getters ordinary shares held in the Company's portfolio as at December 31, 2007 had an implicit par book value of € 290 thousand and represent 2.37% of capital stock (3.53% of ordinary shares).
SAES Getters savings shares held in the Company's portfolio as at December 31, 2007 had an implicit par book value of € 33 thousand and represented 0.27% of capital stock (0.82% of savings shares).

The difference between the market value and the book value of treasury shares is shown in the table below (in thousands of euro):

	Ordinary shares	**Savings shares**
Higher (lower) market value* (at December 28, 2007) than the book value	3,895	(11)
Higher (lower) market value* (average at December 2007) than the book value	3,747	22
Higher (lower) market value* (average at February 2008) than the book value	2,619	(108)

* calculated on the basis of official prices

Legal reserve

This item corresponds to the Parent Company's legal reserve of € 2,444 thousand as at December 31, 2007 and is unchanged from December 31, 2006, as the reserve has reached the legal limit.

Other reserves and retained earnings

This item includes:
- the reserve for treasury shares, which had a balance of € 8,303 thousand at December 31, 2007, equal to the book value of SAES Getters ordinary and savings shares at the end of the period;
- the reserves (totalling € 2,264 thousand) formed from the monetary revaluation credit balances resulting from the application of Law No. 72 of March 19, 1983 (€ 574 thousand) and Law No. 342 of November 21, 2000 (€ 1,690 thousand) by the Group's Italian companies. Pursuant to Law No. 342 of 2000, the revaluation reserve has been stated net of € 397 thousand in substitute taxes. Pursuant to Law No. 413 of 1991, the revaluation reserve was transferred to the item “Retained earnings” in 2007 inasmuch as it was fully distributable, given that it had been released under article 22 of Law Decree No. 4 of February 23, 1995, converted by Law No. 85 of March 22, 1995;
- sundry reserves of subsidiaries, the reserve generated from the transition to International Accounting Standards, retained earnings, other shareholders’ equity items relating to the Group's companies which are not eliminated as part of the consolidation process and exchanges differences arising from the conversion of financial statements expressed in foreign currencies. The translation reserve has a negative balance of € 7,131 thousand at December 31, 2007, a decrease of € 7,350 thousand on the positive balance of € 219 thousand recorded at December 31, 2006. This decrease was due to the overall impact on consolidated shareholders' equity of the conversion of the financial statements of foreign subsidiaries expressed in foreign currencies into euro, as well as by the respective consolidation adjustments.

We report that the Group exercised the exemption allowed under IFRS 1, *First-time Adoption of International Financial Reporting Standards*, regarding the possibility of writing off the accumulated profits or losses generated by the consolidation of foreign subsidiaries as at January 1, 2004. Consequently, the translation reserve only includes the translation gains or losses generated after the date of transition to IAS/IFRS.

We further report that the cash flow hedge reserve, which showed a positive balance of € 232 thousand as at December 31, 2006, generated by the *fair value* measurement of hedges taken out by the Group's Italian companies, was released to the income statement because these hedging contracts, which in 2006 were recognized according to the cash flow hedge model, were measured at *fair value* with an impact directly on the income statement for the period. For further details, refer to Notes Nos. 7, 9, and 23.

The only income and expenses that were recognized directly in shareholders' equity in 2007 were the negative change in the translation reserve, which decreased by € 7,350 thousand.

The reconciliation between the net income and shareholders' equity of SAES Getters S.p.A. and consolidated net income and shareholders' equity as at December 31, 2007 and December 31, 2006 is set out below:

(thousands of euro)

	December 31, 2007		December 31, 2006	
	Net income	**Shareholders' equity**	**Net income**	**Shareholders' equity**
Group's Parent Company SAES Getters S.p.A.	**34,022**	**98,267**	**24,227**	**113,845**
Difference between the consolidated companies' shareholders' equity and the book value represented by the investment		55,870		62,707
Net profit (losses) of the consolidated companies net of dividends distributed and investment writedowns	2,908		8,072	
Elimination of profits arising from intercompany transactions, net of the related tax effect	537	(4,990)	214	(5,529)
Accrual of deferred taxes related to subsidiaries' resolutions on net income distribution	842	(4,544)	(1,544)	(5,386)
Other adjustments	(3,440)	2,202	422	3,418
Consolidated accounts	**34,869**	**146,805**	**31,391**	**169,055**

Other adjustments consisted primarily of entries pertaining to goodwill arising from consolidation.

27. Investments in jointly controlled entities

The joint ventures Dr. -Ing. Mertmann Memory-Metalle GmbH and Nanjing SAES Huadong Vacuum Material Co., Ltd., 50% and 51% owned, respectively, and consolidated according to the net equity method in 2006, have been consolidated according to the proportional method since January 1, 2007.

The balance sheet and income statement figures as at December 31, 2006 included for comparative purposes have been reclassified as if the proportional method had also been applied to these companies in 2006.

We further report that SAES Opto Materials S.r.l., formed on April 3, 2007, and SAES Opto Components S.r.l., formed on June 1, 2007, are 90% and 52% owned by SAES Opto S.r.l., respectively. All of the other consolidated companies are 100% owned.

The Group's share of the assets, liabilities, revenues and costs of the joint ventures Dr. -Ing. Mertmann Memory-Metalle GmbH and Nanjing SAES Huadong Vacuum Material Co., Ltd. included in the Consolidated Financial Statements with the proportional method (50% and 51%, respectively) is shown below:

(thousands of euro)

	Dr. -Ing. Mertmann Memory Metalle GmbH (50%)	Nanjing SAES Huadong Vacuum Material Co., Ltd. (51%)
Non current assets	121	322
Current assets	302	1,952
Total assets	**422**	**2,274**
Shareholders' equity	263	1,906
Non current liabilities	58	0
Current liabilities	102	368
Total liabilities and shareholders' equity	**422**	**2,274**
Total net sales	846	2,975
Cost of sales	(529)	(1,811)
Total operating expenses	(255)	(192)
Other income (expenses), net	(7)	17
Non operating income (expenses), net	(2)	16
Income before taxes	**55**	**1,004**
Income taxes	(21)	0
Net income	**34**	**1,004**

28. Financial liabilities

This item consists primarily of subsidized loans from the special applied research fund granted to the Parent Company by the Ministry of Productive Activities through the bank Intesa Sanpaolo S.p.A.
The maturities of the loans are shown below:

(thousands of euro)

	December 31, 2007	December 31, 2006	Difference
Less than 1 year	857	839	18
Between 1 and 2 years	862	864	(2)
Between 2 and 3 years	657	874	(217)
Between 3 and 4 years	630	667	(37)
Between 4 and 5 years	78	642	(564)
Over 5 years	43	0	43
Total	**3,127**	**3,886**	**(759)**

It should be noted that debt with maturity of less than 1 year is included in the item "Current portion of long-term debt".
The average borrowing rate in 2007 was 1.10%.
The change with respect to December 31, 2006 is due to the payment of instalments that came due during the year.

29. Deferred tax liabilities

This item, which stood at €4,564 thousand, consists of the provision for deferred taxes owed in the event of the distribution of the profits and reserves of the subsidiaries, excluding those relating to profits and reserves that are not considered likely to be distributed in the foreseeable future.
The decrease with respect to December 31, 2006 was chiefly due to the greater use of the provision in relation to dividends distributed by the subsidiaries compared to the newly allocated sums generated during 2007.

30. Staff leaving indemnity and other employee benefits

It should be noted that this item includes liabilities to employees under both defined contribution and defined benefit plans existing in certain Group companies in accordance with the contractual and legal obligations existing in Italy and Korea.
Changes during the year were as follows:

(thousands of euro)

Balance at December 31, 2006	**10,713**
Provision for the period recorded in the income statement	2,583
Indemnities paid during the period	(3,491)
Other movements	(298)
Differences arising from the translation of financial statements denominated in foreign currencies	(169)
Balance at December 31, 2007	**9,338**

Indemnities paid during the period include disbursements by the subsidiary SAES Getters Korea Corporation following the amendment of supplementary company agreements, which entailed the transfer of the liability to third parties, with the consequence that from the current period the benefits to the current employees of the Korean associate were classified as a defined-contribution plan.
The amounts recognized in the income statement were broken down as follows:

(thousands of euro)

Current service cost	2,749
Interest cost (defined benefit plans)	625
Net actuarial losses (gains) recognised in the period	(78)
Plans reduction or termination	(713)
Provision for the period recorded in the income statement	**2,583**

When referred to the Group's Italian companies, staff leaving indemnity consists of the estimated obligation according to actuarial techniques of the sum to be paid out to the employees of Italian companies when the employment relationship ceases.
The indemnity is equal to the sum of accruals calculated as a percent of the compensation items paid out under the employment relationship and then measured anew when said employment relationship ceases. The total accrual to the staff leaving indemnity provision, taken as the basis for establishing the liability and cost thereof, is decreased to reflect any portions paid in to pension funds. Following the entry into force of the 2007 Finance Law and associated implementation decrees, the staff leaving indemnity accrued from January 1, 2007 will be earmarked for pension funds or the treasury fund established by the INPS, Italy's social-security agency, or, for companies with less than fifty employees, may remain within the company as in previous years.
Employees were entitled to choose how to allocate their leaving indemnities within June 30, 2007. The allocation of future accruals of the staff leaving indemnity to pension funds or the INPS treasury fund requires that a significant portion of future staff leaving indemnity accruals be classified as a defined-benefit plan inasmuch the company's obligation consists solely of the payment of contributions to the pension fund or the INPS. The liability represented by the previously accrued staff leaving indemnity continues to represent a defined-benefit plan to be measured using actuarial techniques.
The change in the nature of the institution entailed the need to recalculate the value of the previously accrued provision, essentially to account for the exclusion from the actuarial calculation of any possible wage increases and updates to possible financial conditions. The change in the value of the previously accrued staff leaving indemnity reported on the income statement came to € 731 thousand.
The obligations relating to defined benefit plans are measured annually by independent actuarial consultants according to the projected unit credit method, separately applied to each plan. The reconciliations as at December 31, 2007 and December 31, 2006 are shown below:

(thousands of euro)

	Dec. 31, 2007	Dec. 31, 2006
Present value of defined benefit obligations	7,632	9,277
Fair value of plan assets		
Unrecognised actuarial (gains) losses	445	97
Expenses from past service cost not yet recognised		
Accounting liabilities in respect of defined benefit obligations	**8,077**	**9,374**
Accounting liabilities in respect of defined contribution obligations	1,261	1,339
Staff leaving indemnity and similar obligations	**9,338**	**10,713**

The main assumptions used for the actuarial valuations as at December 31, 2007 and December 31, 2006 of the defined benefits plans are given below:

	Italy		South Korea	
	Dec. 31, 2007	**Dec. 31, 2006**	**Dec. 31, 2007**	**Dec. 31, 2006**
Discount rate	4.60%	4.25%	n,a,	5.0%
Expected salary increase rate	n,a,	2.25%	n,a,	4.5%

There were 915 employees at December 31, 2007 (of which 366 outside of Italy), an increase of 33 staff members year-on-year.

The following table provides an analysis of the distribution of the Group's employees:

	December 31, 2007	December 31, 2006	Average 2007	Average 2006
Managers	71	72	70	71
Employees and middle management	398	373	383	366
Workers	446	437	442	465
Total	**915**	**882**	**895**	**902**

The joint ventures Dr. -Ing. Mertmann Memory-Metalle GmbH and Nanjing SAES Huadong Vacuum Material Co., Ltd., 50% and 51% owned, respectively, and consolidated according to the net equity method in 2006, have been consolidated according to the proportional method since January 1, 2007. This change in the consolidation perimeter entailed a total increase of 50 staff members with respect to the previous values at December 31, 2006.

The following table shows the number of the Parent Company’s employees covered by the Extraordinary Redundancy Fund (C.I.G.S.):

	December 31, 2007	Average 2007
Employees covered by C.I.G.S.	33	32

31. Provisions for contingencies and obligations

The composition of these provisions and the related changes are set out below:

(thousands of euro)

	December 31, 2006	Provisions	Utilizations and other movements	Conversion differences	December 31, 2007
Provision for warranty on products sold	207	76	(45)	(25)	213
Provision for restructuring	4,000	1,239	(5,239)	0	0
Other provisions	3,105	2,184	(1,986)	(50)	3,253
Total	**7,312**	**3,499**	**(7,270)**	**(75)**	**3,466**

The provision for restructuring, which was entirely used during the period, consists of sums set aside by the Parent Company at December 31, 2006 in relation to the process of rationalizing and restructuring productive activities in the Cathode Ray Tubes Business Area. The additional sum set aside during the year was required by the continuing decline of the traditional cathode ray tube market, which exceeded the Group's expectations.

The item "Other provisions" primarily includes sums allocated by the Italian subsidiary SAES Advanced Technologies S.p.A. in relation to a dispute with social security institutions concerning contribution benefits granted and sums allocated by various Group companies for staff bonuses pertaining to 2007.
The table below distinguishes between provisions included amongst current and non-current liabilities:

(thousands of euro)

	Current provisions	Non current provisions	Total December 31, 2007	Current provisions	Non current provisions	Total December 31, 2006
Provision for warranty on products sold	0	213	213	0	207	207
Provision for restructuring	0	0	0	1,200	2,800	4,000
Other provisions	2,408	845	3,253	2,384	721	3,105
Total	**2,408**	**1,058**	**3,466**	**3,584**	**3,728**	**7,312**

The sum allocated to the provision for restructuring at December 31, 2006, was fully used in terms of both the current and non-current portions.

Current liabilities

32. Trade payables

At December 31, 2007 these amounted to € 10,049 thousand, showing an increase of € 528 thousand compared to December 31, 2006.
Trade payables do not bear interest and are normally settled in 19 to 99 days.

The following table shows the maturities of trade payables at December 31, 2007:

(thousands of euro)

	Total	Not yet due	Due				
			less than 30 days	between 30 and 60 days	between 60 and 90 days	between 90 and 180 days	more than 180 days
Dec. 31, 2007	10,049	7,287	2,476	118	14	140	14
Dec. 31, 2006	9,521	6,374	2,585	161	136	249	16

33. Other payables

The item "Other payables" includes amounts that are not strictly classified as "trade payables" and amounted to € 13,311 thousand at December 31, 2007, compared with € 11,710 thousand at December 31, 2006.

These are broken down as follows:

(thousands of euro)

	Dec. 31, 2007	Dec. 31, 2006	Difference
Payables to employee (holidays, wages and staff leaving)	4,820	5,098	(278)
Social security payables	1,653	1,639	14
Tax payables (excluding income taxes)	3,025	1,502	1,523
Other	3,813	3,471	342
Total	**13,311**	**11,710**	**1,601**

The item "Payables to employees" at December 31, 2007 includes provisions for accumulated unused holiday leave, extra monthly wages and, for Italian companies, wages and salaries for the month of December.

The item "Social security payables" essentially consists of amounts payable by the Group's Italian companies to the INPS (the Italian social security system) as employer's contributions.

The increase in the item “Tax payables (excluding income taxes)” with respect to December 31, 2006 was primarily due to sums withheld (€ 1,313 thousand) from dividends distributed in December 2007 by the subsidiary SAES Getters Korea Corporation. These withholdings were paid in January 2008.

These payables do not bear interest and are all due within one year.

The following table shows the maturities of other payables at December 31, 2007:

(thousands of euro)

	Total	Not yet due	Due				
			less than 30 days	between 30 and 60 days	between 60 and 90 days	between 90 and 180 days	more than 180 days
Dec. 31, 2007	13,311	11,198	1,630	118	130	224	11
Dec. 31, 2006	11,710	10,611	665	94	143	184	13

34. Accrued income taxes

At December 31, 2007, the above item amounted to €4,312 thousand, showing a decrease of €2,588 thousand on December 31, 2006.
The decrease in the item with respect to December 31, 2006 was primarily due to the increase in payments on account by certain Group companies over the previous period.
The balance is net of the Irap advances (€2,551 thousand) paid by the subsidiary SAES Advanced Technologies S.p.A., whereas Ires advances (€6,041 thousand) relating to the same company were paid to the Controlling Company, S.G.G. Holding S.p.A., as part of adherence to the national tax consolidation program and are therefore included in the item "Tax consolidation payables to the Controlling Company". The reader may refer to Note No. 21 for further details.
All tax payables are due within one year.

35. Bank overdraft

This item consists of liabilities arising from overdrafts on transfer accounts held with banks. As at December 31, 2007, this item amounted to € 184 thousand, up by € 107 thousand on the figure at December 31, 2006.

36. Accrued liabilities

These are broken down as follows:

(thousands of euro)

	Dec. 31, 2007	Dec. 31, 2006	Difference
Accrued expenses	310	261	49
Deferred income	588	915	(327)
Total accrued liabilities	**898**	**1,176**	**(278)**

The item "Deferred income" includes the share relating to future years (€508 thousand) of the contributions towards capital expenditures granted by the Ministry of the Treasury, Budget and Economic Planning to SAES Advanced Technologies S.p.A. in relation to investments made in previous years. The decrease in this item with respect to December 31, 2006 was principally due to the reduction in deferred income reported on the portion of contributions provided in 2007.

37. *Fair value* of financial assets and liabilities

It has been pointed out that, as allowed by IAS 32, there are no differences between the values recognized in the Financial Statements at December 31, 2007 for financial assets and liabilities and the related *fair value*.

38. Financial risk management: objectives and criteria

The Group's main financial instruments, other than derivative instruments, include sight and short-term bank deposits and bank loans. The Group's policy concerning these instruments is the short-term investment of cash on hand and the financing of operating activities.
Due to the above, the Group does not engage in the trading of financial instruments.
The Group also has financial assets and liabilities, such as trade payables and receivables, arising from operating activities.

The primary risk hedged through derivative financial instruments (chiefly forward currency contracts) at the balance sheet date was exchange-rate risk. The aim is to manage the exchange-rate risk generated by the Group's commercial operations. The Board of Directors reviews and sets the policies for managing such risks, as summarized below.
The Group's accounting policies in relation to derivatives are indicated in Note No. 2.

Interest-rate risk
The Group's exposure to the risk of fluctuations in market interest rates is not significant insofar as the money it borrows comes almost exclusively from subsidized fixed-rate loans for applied research. The following table shows the sensitivity of income before taxes to changes in interest rates affecting financial assets, assuming all other variables remain unchanged.

		Increase (decrease) in basis points	Impact on income before taxes (thousands of euro)
December 31, 2007	Euro	+/- 0.20	+/- 137
	Other currencies	+/- 0.20	+/- 32
December 31, 2006	Euro	+/- 0.20	+/- 122
	Other currencies	+/- 0.20	+/- 37

Exchange risks
The Group is exposed to foreign currency exchange risk. Such exposure is generated predominantly by sales in currencies other than the reference currency. Around 88% of Group sales and around 35% of the Group's operating costs are denominated in a currency other than the euro.
To manage the volatility of the impact on net income of fluctuations of exchange rates, primarily EUR/USD and EUR/JPY, the Group enters into currency hedges with total values representing approximately 70% of the net cash flows generated by the sales of SAES Getters S.p.A. and SAES Advanced Technologies S.p.A. The maturities of hedging derivatives tend to coincide with the scheduled date of collection of the hedged transactions.
Moreover, in the second half of 2006 the Group began to implement a cash pooling system denominated in euro and involving almost all Group companies, thereby decreasing cash and cash equivalents not originally expressed in euro to the minimum levels deemed necessary for the operations of individual companies. Approximately 80% of the Group's cash and cash equivalents are currently expressed in euro due to the effect of the above decision.

Occasionally, the Group also hedges specific commercial transactions in a currency other than the reporting currency.
The following table shows the sensitivity of the Group's income before taxes and shareholders' equity to reasonably possible fluctuations in the EUR/USD and EUR/JPY exchange rates due to the resulting change in the *fair value* of assets and liabilities of a commercial nature at the end of each period (the analysis assumes that all other variables remain unchanged):

(thousands of euro)

US Dollar	**Increase (decrease)**	**Impact on income before taxes**	**Impact on net income**
December 31, 2007	+ 5%	(1,562)	(970)
	- 5%	457	272
December 31, 2006	+ 5%	(1,229)	(786)
	- 5%	625	405

(thousands of euro)

Japanese Yen	**Increase (decrease)**	**Impact on income before taxes**	**Impact on net income**
December 31, 2007	+ 5%	(369)	(238)
	- 5%	138	88
December 31, 2006	+ 5%	(637)	(400)
	- 5%	105	66

Positive (or negative) sign: indicates the appreciation (or depreciation) of the euro against the local foreign currency

The following table shows the sensitivity of the *fair value* of derivatives and income before taxes to a 1% change in the exchange rates applied to the settlement of forward exchange contracts in existence at the balance sheet date (assuming that all other variables remain unchanged).

(thousands of euro)

	Increase (decrease)	**Impact on income before taxes**	**Impact on net income**
December 31, 2007	+1%	287	192
	- 1%	(293)	(196)
December 31, 2006	+1%	185	124
	- 1%	(189)	(126)

Positive (or negative) sign: indicates the appreciation (or depreciation) of the euro against the local foreign currency

Commodity price risk
The Group's exposure to commodity price risk is usually moderate. The Group has not entered into long-term supply agreements, instead purchasing as required. Generally, the Group has more than one supplier for each commodity deemed critical. In order to reduce exposure to the risk of price variations, it enters into annual supply agreements aimed at controlling commodity price variations. The Group monitors the trends of the main commodities subject to the greatest price volatility and does not exclude the possibility of undertaking hedging transactions using derivative instruments with the aim of neutralizing the price variations of its commodities.

Credit risk

The Group deals predominantly with well-known and reliable customers. The balance of credits is monitored throughout the year so that the amount of potential exposures to losses is not significant.

The credit risk associated with other financial assets, including cash and cash equivalents, is not significant due to the nature of the counterparties: the Group places such assets almost exclusively in bank deposits held with leading Italian and international financial institutions.

Liquidity risk

The Group's objective is to maintain a balance between controlling borrowing and flexibility through the use of overdrafts. Given the dynamic nature of the businesses in which it operates, the Group secures funding through credit lines for short-term use at market interest rates.

As at December 31, 2007, the Group had no significant exposure to liquidity risk due to the availability of assets and bank deposits and limited use of borrowing.

Equity management

The objective pursued by the Group's capital management is to maintain a solid credit rating and adequate capital ratios in order to support operations and maximize value for shareholders.

No changes were made to capital management objectives or policies during 2006 and 2007.

39. Cash flow statement

The cash flow statement is presented using the indirect method.

Net cash provided by operating activities came to € 44,018 thousand, compared with € 56,705 thousand in the previous year. The decrease was primarily due to greater expenditures for taxes and the uses of the staff leaving indemnity and provisions for risks, partially offset by the increased net income for the year and the impact of write-downs of non-current assets.

Net cash used in investing activities was € 12,728 thousand, a decrease on the figure of € 21,112 thousand recorded in the previous year. A total of € 9,604 thousand was paid out for acquisitions in 2006.

Net cash used by financing activities increased from € 29,128 thousand in 2006 to € 50,245 thousand in 2007. This change is mainly attributable to the payment of higher dividends and interim dividends and the purchase of treasury shares.

Net cash and cash equivalents are stated net of "Bank overdrafts", insofar as the latter fall under the category of liabilities to be repaid to banks on demand. The following is a reconciliation of cash and cash equivalents shown in the balance sheet and the cash flow statement.

(thousands of euro)

	December 31, 2007
Cash and cash equivalents	70,665
Bank overdraft	(184)
Cash and cash equivalents, net	**70,481**

40. Business combinations

On May 10, 2007, SAES Opto Materials S.r.l., 90% owned by SAES Getters S.p.A., purchased from Scientific Materials Europe S.r.l. ("Scimex") the going concern responsible for manufacturing, processing, and marketing synthetic crystals for laser applications in industry and research and laser-source components. The price of acquisition of the going concern was € 2,200 thousand, in cash. The acquisition was accounted for by applying the purchase method.

The following table provides a breakdown of the *fair value* assigned to the assets and liabilities purchased at the date of the exchange:

(thousands of euro)

	***Fair value* at the date of purchase**
Plant and machinery	1,737
Concessions, licences, trademarks and similar rights	210
	1,947
Staff leaving indemnity and similar obligations	(88)
	1,859
Goodwill	341
Cost of purchase	**2,200**

41. Potential liabilities and commitments

The guarantees that the Group has provided to third parties may be analyzed as follows:

(thousands of euro)

	December 31, 2007	**December 31, 2006**	**Difference**
Guarantees in favour of third parties	15,568	11,636	3,932
Total guarantees provided by the Group	**15,568**	**11,636**	**3,932**

The item primarily includes performance bonds provided to the VAT Office for a total of € 8,130 thousand (€ 11,246 thousand at December 31, 2006) to secure refunds obtained. The increase with respect to December 31, 2006 is primarily due to the contracting of new collateral guarantees to support Group companies, only partially offset by the decrease in the above-mentioned performance bonds provided to the competent Italian VAT office.

The maturities for operating lease obligations in force as at December 31, 2007 are shown below:

(thousands of euro)

	Less than 1 year	**Between 1 and 5 years**	**Over 5 years**	**Total**
Operating lease obligations	168	103	3	274

Guarantees provided by the Group in respect of credit facilities, in the interest of subsidiaries, which were not utilized on the reporting date of the accounts, totalled € 6,309 thousand at December 31, 2007 (against € 9,057 thousand at December 31, 2006).

42. Related party transactions

For the purpose of identifying Related Parties, the reader is referred to IAS 24.

In this case, the Related Parties include:

- **S.G.G. Holding S.p.A.**, the controlling company, which is both creditor and debtor of the SAES Getters Group as a result of the adherence by the Group's Italian companies to the national tax consolidation program.
- **Scientific Materials Europe S.r.l.**, a subsidiary (30%), which is engaged in the production, manufacture and marketing of synthetic crystals for industrial laser applications and for research; SAES Getters S.p.A. distributes its products.
- **KStudio Associato**, a tax, legal and financial consultancy firm whose founding member is Vicenzo Donnamaria, Chairman of the Board of Statutory Auditors of SAES Getters S.p.A. It provides tax, legal and financial consultancy services.
- **Managers with strategic responsibilities**: these include the members of the Board of Directors, including non-executive members, the Group Human Resources Director, and the Group Commercial Director.
- **The Board of Statutory Auditors**.

In 2006, Related Parties also included the joint ventures Dr. -Ing. Mertmann Memory-Metalle GmbH and Nanjing SAES Huadong Vacuum Material Co., Ltd., which in 2007 were consolidated using the proportional method, and not the net equity method as previously.

The following table shows the total values of the related party transactions carried out in 2007 and 2006.

(thousands of euro)

	Costs		Revenues		Payables		Receivables	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
S.G.G. Holding S.p.A.					7,525	8,888	8,360	5,114
Scientific Materials Europe S.r.l.	n.a.	620	n.a.	8	n.a.	64	n.a.	n.a.
KStudio Associato	138	46			66	-		

The following table shows the compensation provided to managers with strategic responsibilities as identified above:

(thousands of euro)

	2007	**2006**
Short-term employee benefits	3,965	3,980
Post-employment benefits	-	-
Other long-terms benefits	-	-
Termination benefits	866	655
Share-based payments	-	-
Total compensations to key management personnel	**4,831**	**4,635**

Pursuant to Consob communications of February 20, 1997 and February 28, 1998, and to IAS 24, we report that in 2007 all Related Party transactions were undertaken at arm's-length financial conditions and no atypical, unusual or non-standard Related Party transactions were undertaken.

43. Events subsequent to the end of the year

On January 3, 2008 SAES Getters S.p.A. closed the purchase of the near entirety of the assets of the Shape Memory Alloys division of Special Metals Corporation.
The purchase was closed through SAES Smart Materials, Inc., formed on October 16, 2007, having its registered office in New York, and 100% owned by SAES Getters International Luxembourg S.A.
The SMA division, situated in New Hartford (New York - USA), engages in the development, production, and sale of shape memory alloys and special high-purity alloys and includes real-estate assets, machinery, equipment, contracts, and intellectual property rights.
The price of purchase was $30.2 million in cash.
On January 2, 2008 SAES Smart Materials, Inc. entered into a loan agreement for $20 million.

On January 23, 2008 SAES Opto S.r.l. purchased a 48% shareholding in SAES Opto Components S.r.l. By virtue of this purchase SAES Opto S.r.l. became the sole shareholder of SAES Opto Components S.r.l.

On February 22, 2008 SAES Getters S.p.A. closed the acquisition of Spectra-Mat, Inc., having its registered office in Watsonville, California, USA, from the trust established by the company's employees.
The acquisition was performed by the subsidiary SAES Getters USA, Inc.
Spectra-Mat produces and markets vacuum components for the telecommunications, medical, and military industries, devices for capital goods in the semiconductor industry, and advanced materials for the industrial laser market.
The price of purchase was $5.9 million, plus the adjusted value of the net financial position of $1.5 million, and was paid in cash; the price may be as adjusted as appropriate within sixty days of the closing date.
$1.5 million was withheld to secure any obligations that may arise after closing.

On March 6 and 7 the Boards of Directors of SAES Opto Components S.r.l. and SAES Opto S.r.l., both of which are single-shareholder companies, approved the plan for merger by incorporation, pursuant to articles 2501-ter and 2505 of the Italian Civil Code, of SAES Opto Components S.r.l. into SAES Opto S.r.l. This plan is based on the assumption, which is currently valid and must remain valid until the merger procedure is completed, that the entirety of the capital stock of the company to be absorbed belongs to the absorbing company, without calling for a capital stock issue by the absorbing company. The shareholders' meetings of the two companies were called to an extraordinary session on March 26, 2008 to assess the plan for the merger.

On October 25, 2007 the Board of Directors of SAES Getters S.p.A. resolved to proceed with the plan to purchase treasury shares in implementation of the resolution authorizing the plan passed by the Shareholders' Meeting on May 9, 2007.
Purchase transactions on the market regulated by Borsa Italiana began on November 8, 2007 and were concluded on February 8, 2008, in full compliance with all applicable provisions of laws and regulations.
During the buy-back plan, SAES Getters S.p.A. purchased a total of 397,972 ordinary shares at an average price of € 19.427 per share, resulting in a total expenditure of € 7,731,254, and 71,987 savings shares at an average price of € 17.900 per share, resulting in a total expenditure of € 1,288,552.
At the end of the plan, SAES Getters S.p.A. owned a total of 700,000 ordinary shares,

representing 4.58% of total ordinary shares issued (of which 302,028 were already in portfolio at the start of the plan), and a total of 82,000 savings shares, representing 1.10% of non-convertible savings shares issued (of which 10,013 were already in portfolio).

44. Exchange rates applied in the conversion of financial statements expressed in a foreign currency

The following table shows the exchange rates applied in converting foreign financial statements:

EXPRESSED IN FOREIGN CURRENCY (per 1 euro)

Currency	December 31, 2007		December 31, 2006	
	Average rate	Final rate	Average rate	Final rate
US Dollar	1.371	1.472	1.256	1.317
Japanese Yen	161.253	164.930	146.015	156.930
Korean Won	1,272.990	1,377.960	1,198.580	1,224.810
Renminbi (People's Republic of China)	10.418	10.752	10.010	10.279
Singapore Dollars	2.064	2.116	1.994	2.020
New Taiwan Dollars	45.010	47.752	42.347	42.900
GB Pounds	0.684	0.733	0.682	0.672

45. Audit firm and its network entities fees

Pursuant to article 149-duodecies of the Issuer Regulations ("Disclosure of Compensation"), which were introduced by Consob by resolution No. 15915 of May 3, 2007, the following table shows the compensation collected by the auditing firm and entities belonging to the auditing firm's network for auditing engagements and the other services, indicated by type or category.

(thousands of euro)

Business services	Supplier	Customer	Fees
Audit fees	Parent Company auditor	SAES Getters S.p.A.	77
Tax and legal expenses	Parent Company auditor	SAES Getters S.p.A.	0
Other fees*	Parent Company auditor	SAES Getters S.p.A.	16
Autit fees	Network of Parent Company auditor	Subsidiaries	325
Tax and legal expenses	Network of Parent Company auditor	Subsidiaries	0
Other fees**	Network of Parent Company auditor	Subsidiaries	11
Total			**429**

* Opinion of documents required by article 2433-bis of the Italian Civil Code for the distribution of the 2007 interim dividend and certification services

** Certification services

Lainate, MI (Italy), March 18, 2008

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

Certification of the consolidated financial statements

Certification of the consolidated financial statements
pursuant to article 81-ter of CONSOB Regulation No. 11971 of May 14, 1999, as amended

1. The undersigned, Giulio Canale, in his capacity as Managing Director and Chief Financial Officer, and Michele Di Marco, in his capacity of Officer Responsible for the preparation of the corporate financial reports, of SAES Getters S.p.A., hereby certify, pursuant to the provisions of article 154-bis, subsections 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

   - the adequacy in relation to the Company's characteristics (including any changes that occurred during the year);

   - the effective application;

   of the administrative and accounting procedures for the formation of the Consolidated Financial Statements during the period from January 1 to December 31, 2007.

2. The following remarks apply to this situation:

   1. The Administrative and Accounting Control Model of the SAES Getters Group

      - On May 14, 2007, the Board of Directors of SAES Getters S.p.A. approved the Administrative and Accounting Control Model, the adoption of which is aimed at ensuring that SAES Getters complies with the provisions of Law No. 262 of December 28, 2005 (hereinafter the "Savings Law"), implemented in December 2006 through the approval of Legislative Decree No. 303/06, specifically obligations pertaining to the preparation of corporate accounting documents and all documents and communications of a financial nature diffused to the market;
      - The Control Model, which refers to the organizational structure of the SAES Getters Group in force at the time:
        - sets the roles and responsibilities of the entities involved in various capacities in the process of forming and/or controlling the financial information of the SAES Getters Group and introduces the role of Officer Responsible for the preparation of corporate accounting documents (hereinafter the "Internal Control Officer");
        - describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES Getters Group, in addition to specific components pertaining to administrative and accounting information;
        - regarding this latter aspect in particular, calls for the integration of the Group Accounting Principles and IAS Operating Procedures with a system of administrative and accounting procedures and the related control matrices;
        - establishes the conditions and frequency of the administrative and accounting risk assessment process in order to identify the processes of greatest relevance to accounting and financial information.

   2. Implementation of the Administrative and Accounting Control Model within SAES Getters S.p.A. and the results of the internal certification process

For further information on this issue, the reader is referred to paragraphs 2.2, 2.3 and 2.4 of the Certification of the Separate Financial Statements of SAES Getters S.p.A., which are of particular relevance in this connection in relation to the consolidation process.

3. Internal administrative and accounting control system of the subsidiaries of the SAES Getters Group

- Given the limited extent of control structures within most of the subsidiaries, it was decided not to issue specific procedures for processes that influence the input of data into the accounting systems of these companies.
  Administrative and accounting risk assessment was conducted on the basis of the data from the 2006 Consolidated Financial Statements and the most significant accounting items in terms of material relevance were selected. For these items, which pertained to nine Group companies, Internal Control Officer and the Internal Audit Department prepared a list of control activities for the related processes. These lists, after being revised by the Financial Controllers of the individual companies, were summarized in the "Activity Control Matrices" (hereinafter "ACMs") and the final version was transmitted to the affected companies on January 21, 2008;
- In order to certify the Consolidated Financial Statements, the Internal Control Officer requested the following of each of the companies subject to controls and affected by significant processes:
  a. The dispatch of a representation letter drafted according to the format attached to the Administrative and Accounting Model of the SAES Getters Group and signed by the General Managers / Financial Controllers, certifying the application and adequacy of procedures ensuring the accuracy of company accounting and financial information and the correspondence of financial reports with company transactions and accounting records and stating that, to the best knowledge of the authors of the letter, the internal control system implemented has protected the company against the risks of fraudulent practices;
  b. The dispatch of the ACMs pertaining to significant processes for each company, signed by the Financial Controller, certifying that the controls were conducted or reporting any inadequacies or shortcomings, indicating corrective action to be taken, where possible.
- As an exception of the foregoing, SAES Advanced Technologies S.p.A. has decided to implement its own internal administrative and accounting control system, which refers directly to the Administrative and Accounting Control Model adopted by the SAES Getters Group;
- On July 12, 2007 the associated Integrated Process was approved by the Chief Financial Officer of the SAES Getters Group and the Chief Financial Officer of SAES Advanced Technologies S.p.A. and included in the Quality Assurance Manual of the latter company;
- On the same date, the Head of Administration of SAES Advanced Technologies S.p.A. issued thirteen Work Instructions (expanded to include an additional two Work Instructions in October) pertaining to the main processes that generate the company's accounting information, in addition to a specific Work Instruction pertaining to the preparation of the financial statements. These documents were reviewed by the Internal Control Officer and approved by the Chief Financial Officer of SAES Advanced Technologies S.p.A.;

- As a consequence, SAES Advanced Technologies S.p.A. implemented an internal certification process similar to that described above for SAES Getters S.p.A., whereby the company only sends the Internal Control Officer the representation letter, which is issued on the basis of the results of internal reviews of control matrices pertaining to each of the Work Instructions.

4. Results of the certification process by the subsidiaries of the SAES Getters Group

   - As of today's date, the Internal Control Officer has received all nine representation letters requested, signed by the General Managers / Financial Controllers of the subsidiaries affected by the processes selected as relevant through risk assessment. In addition, all of the ACMs, completed in full, were also dispatched.
   - The results of the process, considering that it represents the first application of the system of administrative and accounting procedures, and taking account of the limited time between the transmission of the final documents and the review, were largely positive. Few anomalies were reported, and those reported were not such as to prejudice the reliability and completeness of the accounting and financial information of subsidiaries.

3. Moreover, we hereby certify that the Consolidated Financial Statements for the year ended on December 31, 2007:

   a) correspond to the results of company records and accounting entries;

   b) were drafted in compliance with the provisions of the Italian Civil Code and IAS/IFRS, and to the best of our knowledge, are suitable to providing a truthful, accurate representation of the earnings and financial position of the issuer and the companies included in the consolidation perimeter.

Lainate, MI (Italy), March 18, 2008

Managing Director Chief Financial Officer Giulio Canale	Internal Control Officer Michele Di Marco

saes getters

Report of the board of statutory auditors for the shareholders' meeting

Report of the board of statutory auditors for the shareholders' meeting pursuant to article 153 of legislative decree 58/1998 and article 2429, section 3, of the italian civil code

To the Shareholders' Meeting of SAES Getters S.p.A.

Shareholders,

During the year ended on December 31, 2007, our supervisory activity was conducted in accordance with the "Consolidated Financial Intermediation Act" established by Legislative Decree 58/1998 and the applicable provisions of the Italian Civil Code. We also referred to the Principles of Conduct recommended by Italy's National Councils of Accountants and Auditors, as well as Consob communications pertaining to corporate controls and the activities of the board of statutory auditors, particularly communication No. DEM/1025564 of April 6, 2001, as amended by communications nos. DEM/3021582 of April 4, 2003 and DEM/6031329 of April 7, 2006.
In further detail:

- we certify that we have verified compliance with the law and with the articles of association and observance of the principles of correct administration. During the year, the Board of Statutory Auditors held five meetings, as well as additional informal sessions;
- at meetings of the Board of Statutory Auditors and the Board of Directors, and at least once per quarter, we obtained information from the Executive Directors concerning general business performance, the Company's business outlook, and the most significant transactions in terms of size and characteristics undertaken by the Company, including with respect to its subsidiaries;
- in solar year 2007, we took part in two Shareholders' Meetings and thirteen meetings of the Board of Directors, which were held in accordance with the articles of association and the legislative provisions that govern the functions of such meetings. We can state with a reasonable degree of certainty that the actions decided upon at such meetings were compliant with the law and the articles of association, were always taken in the Company's best interests, including inter-company interests, were not manifestly imprudent, hazardous, atypical or unusual, and did not represent a potential conflict of interest with the capacity to compromise the integrity of the Company's assets. At these meetings, all participants were free to express comments, opinions and views;
- we assessed and verified the adequacy of the organizational, administrative and accounting system and the reliability of said system to correctly represent operating circumstances by obtaining information from the respective department managers and examining Company's documents. In this respect, we have no particular remarks to report. Furthermore, having followed the work done by the Internal Audit Office, including that managed and coordinated by the Internal Control Officer and by the Audit Committee, we confirm that the internal control system adopted by the Company is fully adequate.

The provisions issued to subsidiaries in accordance with article 114, section 2, of Legislative Decree no. 58/1998 were also fully adequate.
Having acknowledged the foregoing, we would like to draw the attention of the Shareholders' Meeting to the following.

Most significant transactions undertaken during the year

In financial year 2007, within the context of the project to develop business in the optoelectronics segment, a variety of corporate transactions were undertaken with the aim of creating a group of companies operating in synergetic fields within the laser segment, including both industrial and telecommunications applications. In short:

- on April 3, 2007, SAES Opto Materials S.r.l. was formed, having its registered office in Cagliari and a local unit in Tortolì. SAES Getters S.p.A. subscribed 90% of the company's total capital stock of € 100,000;
- on May 10, 2007, SAES Opto Materials S.r.l. purchased the "Opto" going concern from Scientific Materials Europe-Scimex S.r.l. The going concern consists of a unit organized to engage in the research, production, manufacturing, marketing and sales of synthetic crystals for industrial applications and research and the associated laser source components. The price of purchase was € 2,200,000;
- on May 15, 2007, SAES Getters S.p.A., with the aim of consolidating its various current and future equity investments pertaining to the optoelectronics business segment, formed SAES Opto S.r.l., having its registered office in Lainate and capital stock of € 100,000, fully subscribed by SAES Getters S.p.A. The principal company object of SAES Opto S.r.l. is the marketing, promotion, and sale of synthetic crystals for laser applications and research, as well as optical and optomechanical components, systems, and sub-systems for the laser market and the optoelectronics market in general;
- on June 1, 2007, a new company, SAES Opto Components S.r.l., was formed, having capital stock of € 20,000, 52% subscribed by SAES Opto S.r.l., having its registered office in Lainate. The new company's primary object is research, development, design, production, manufacturing, assembly, testing and sale of optical and optomechanical components, systems and subsystems for the industrial laser market;
- lastly, on June 1, 2007, SAES Getters S.p.A. sold the newly formed SAES Opto S.r.l. the former's equity investment in SAES Opto Materials S.r.l., representing 90% of capital stock, for its nominal value of € 90,000.

Furthermore, two important acquisitions moved forward in 2007 and were then finalized in the first few months of 2008. These are:

- the acquisition of the near entirety of the assets of the Shape Memory Alloys of Special Metals Corporation, signed on October 22, 2007 (closing on January 3, 2008). This acquisition, which will allow the Company to acquire a position of leadership in the growing shape-memory alloy market, was finalized through the company SAES Smart Materials, Inc., formed on October 16, 2007, having its registered office in New York and 100% owned by SAES Getters International S.A.;
- the acquisition of the California-based company Spectra-Mat Inc., signed on February 20, 2008 (closing on February 25, 2008), which will permit a significant expansion of the product portfolio of the Industrial Applications Business Unit and the Advanced Materials Business Unit. The acquisition was finalized through the associate SAES Getters USA, Inc.

The Board of Statutory Auditors, after being duly informed by the Directors, assessed the compliance of the foregoing transactions with the law, the articles of association, and the principles of proper administration, ensuring that said transactions were not manifestly imprudent, hazardous, in conflict with resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the Company's assets.

Atypical and/or unusual transactions, including infra-group and Related-Party transactions

There were no atypical or unusual transactions to report; transactions with Group companies were part of the Company's ordinary operations.

Related-Party transactions essentially consist of inter-company transactions with subsidiaries, associates and joint ventures, predominantly of a commercial nature. In particular, these include the purchase and sale of raw materials, semi-finished goods, finished products, and various types of equipment and services. They were settled in line with market economic and financial conditions. The Directors reported the following with regard to transactions with Related Parties other than subsidiaries, associates and joint ventures:

- dealings with S.G.G. Holding S.p.A., the controlling company, essentially owned by former parties to the SAES Getters Shareholders' Agreement, which holds 7,887,410 ordinary shares, representing 51.65% of ordinary capital stock with voting rights. An agreement concerning the participation in Italy's national tax consolidation programme has been in force with said company since May 12, 2005. On December 31, 2007 the Company transferred a total of € 8,308 thousand in tax consolidation receivables to the consolidating entity;
- dealings with KStudio Associato pertaining to legal and tax consultancy services provided during the year for a total cost of € 138 thousand.

The above remarks on transactions with Related Parties comply with the provisions of article 2391-bis of the Italian Civil Code and with the Consob Communications of February 20, 1997 and February 28, 1998. The information disclosed by the Directors in the Information on the management in the Financial Statements for the year ended on December 31, 2007 is complete and adequate with respect to transactions undertaken with all Group's entities and Related Parties.

Auditing firm

The firm Reconta Ernst & Young S.p.A., engaged to audit the Financial Statements, issued an audit report on March 28, 2008, in which it expressed a judgment containing no remarks on either the Consolidated or Parent Company accounts for 2007.
We also held meetings, including informal sessions, with the representatives of Reconta Ernst & Young S.p.A., the auditing firm engaged to review the separate and consolidated financial statements of SAES Getters S.p.A. and provide accounting control pursuant to article 150, section 2, of Legislative Decree No. 58/1998. No data or information that should be detailed in this Report came to light at such meetings.

Indication of the conferral of additional engagements to the auditing firm and/or parties in long-term relationships therewith

No additional engagements were conferred to the auditing firm and/or parties in long-term relationships therewith.

Indication of the existence of opinions issued by law during the year

During 2007, the Board of Statutory Auditors expressed a positive opinion of the appointment of the Officer Responsible for the preparation of financial reports pursuant to article 154-bis of Legislative Decree 58/1998.
During the year, the Board of Statutory Auditors also proposed that the Shareholders' Meeting engage the firm Reconta Ernst & Young S.p.A. to audit the Financial Statements of the Parent Company, the Consolidated Financial Statements, and the Consolidated Half-Yearly Report, as well as to conduct the periodic reviews required by article 155 of Legislative Decree 58/1998, for the period from 2007 to 2012.

Filing of complaints pursuant to article 2408 of the Italian Civil Code and petitions

The Board of Statutory Auditors did not receive any complaints pursuant to article 2408 of the Italian Civil Code or petitions of any kind.

Proper administration – Organizational structure

The Company is competently administered in accordance with the law and the articles of association. We participated in Shareholders' Meetings and meetings of the Board of Directors as well as those meetings of other committees at which our presence is required. These meetings were held in accordance with the articles of association and provisions of law that govern the functioning of such meetings.
The delegations and powers conferred were appropriate to the Company's needs and adequate for the evolution of Company operations.
The Board of Statutory Auditors believes that the Company's overall organizational structure is appropriate to the Group's size.
Lastly, the Statutory Auditors, during the periodic reviews conducted during the year, were able to observe the accuracy and promptness with which all obligations were fulfilled and communications dispatched in connection with the listing of the Parent Company on the STAR segment of the Mercato Telematico Azionario under the supervision of Borsa Italiana and Consob.

Internal control – Administrative and accounting system

Internal control activity, the purpose of which is to manage Company risks, is entrusted to the Board of Directors and is conducted with the assistance of the Audit Committee, the Internal Control Officer, and the Internal Audit Office.
During the year, the Internal Control Officer did not report to us any particular critical issues or anomalies requiring mention in this Report.
We become aware of and supervised the adequacy of both the Company's organizational structure and administrative and accounting system, as well as the reliability of said system to accurately represent operating circumstances, by obtaining information from the heads of the respective offices, reviewing Company's documents directly, and exchanging information with the auditing firm Reconta Ernst &Young S.p.A., in accordance with article 150 of Legislative Decree No. 58/1998. We have no particular remarks to report in this regard.

Subsidiaries

The Company has adopted appropriate procedures for governing and monitoring disclosure of data and transactions pertaining to Group companies to the market. In this regard, it should be recalled that the Company has a model of administrative and accounting controls, approved by the Board of Directors on May 14, 2007. This model was adopted in part due to obligations concerning the drafting of Corporate accounting documents and all documents and communications of a financial nature intended for the market. This model formally establishes a system of company rules and procedures adopted by the Group in order to identify and manage the principal risks associated with the preparation and dissemination of financial information and thereby to achieve the Company's objectives in the areas of the truthfulness and accuracy of such information.

It should be noted that the Company completed its plan to adjust the internal administrative and accounting control system for subsidiaries formed under and governed by the laws of non-European Union countries pursuant to article 36 of the Market Regulations in the first few months of 2008 and then submitted it to Consob on July 26, 2007. Notice of the completion of the plan was provided in the Report for the fourth quarter of 2007.

Corporate Governance Code for Listed Companies

The Company has passed all of the resolutions required for compliance with the March 2006 version of the "Corporate Governance Code for Listed Companies" and the Board of Directors has approved the 2007 Annual Corporate Governance Report. The full text of this Report, to which the reader is referred for further information, is available to the public according to the methods required by Borsa Italiana S.p.A.
In this regard, the Board of Statutory Auditors attests that it has verified the proper application of the criteria adopted by the Board of Directors for assessing the independence of board members and has acknowledged the statements issued by individual Directors.
The Board of Statutory Auditors also oversees the conditions for the independence and autonomy of its own members and informs the Board of Directors thereof in a timely manner with respect to the drafting of the corporate governance report. During the year, the Board of Statutory Auditors verified the continuing satisfaction of independence requirements on June 18, 2007.

Consolidated Financial Statements and Separate Financial Statements of SAES Getters S.p.A. for the year ended December 31, 2007

We certify that we have verified the general layout of both the Consolidated Financial Statements and Separate Financial Statements of SAES Getters S.p.A. and the general compliance with the law in terms of formation and structure. We further certify that the information contained therein corresponded to the facts and information that were in our possession. To the best of our knowledge, the Directors, in preparing the Financial Statements, did not draw on exceptions to provisions of law, pursuant to article 2423, section four, of the Italian Civil Code.As in previous years, we report that both the Consolidated Financial Statements, following the entry into force of EC Regulation No. 1606/2002, and the Financial Statements of the Parent Company, were drafted in accordance with IAS/IFRS, which have been applied since January 1, 2005.
Moreover, the Financial Statements of the Parent Company and the Consolidated Financial Statements consist of the balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and the Explanatory Notes.
The balance sheet layout conforms to the minimum content required by International Accounting Standards and is based on a distinction between current and non-current assets and liabilities depending on whether these items will be realized within or after one year of the balance sheet date.
In the income statement, costs are disclosed on the basis of their allocation.
The cash flow statement was prepared using the indirect method.
As extensively reported in the Explanatory Notes and disclosed to the market on March 18, 2008, we report that the balances of income statement and balance sheet items for 2006 included for comparative purposes were reclassified and subject to a different accounting treatment than those presented in the 2006 annual accounts.
As regards the Financial Statements submitted for your consideration, we provide the following selected financial information (in thousands of euro):

(thousands of euro)

Income Statement	Parent Company	Consolidated
Net sales	33,736	167,228
Operating income (loss)	(25,649)	49,051
Income before taxes	28,694	57,352
Net income	34,022	34,869
Balance Sheet		
Non-current assets	82,909	74,057
Current assets	57,630	129,541
Total assets	140,539	203,598
Non-current liabilities	7,543	17,249
Current liabilities	34,729	39,544
Shareholders' equity	98,267	146,805
Total liabilities	140,539	203,598

For the year ended December 31, 2007, the Parent Company's cash flow statement shows net cash and cash equivalents of € 36,140 thousand. On the same date, the consolidated cash flow statement shows net cash and cash equivalents of € 70,481 thousand.

Intangible assets have been recognized in accordance with IAS 38, as it is likely that future economic benefits will flow from their use. They are amortized on the basis of their estimated useful lives. In the Consolidated Financial Statements, goodwill is not subject to amortization; rather, its recoverable value is periodically examined on the basis of the expected cash flows of the relative cash generating unit (impairment testing).

Long-term equity investments came to € 59,715 thousand at year end, and have been stated in detail and divided into directly and indirectly held investments, joint ventures, associates, and other companies. All equity investments are valued at cost and adjusted as necessary to account for impairment on the Financial Statements of the Parent Company. In the Consolidated Financial Statements, the jointly controlled companies have been included in the consolidation area according to the line-by-line method, with the exception of joint ventures, to which the proportional method has been applied.
At December 31, 2007, the equity investment in SAES Getters (GB) Ltd. was written down for € 173 thousand on the Financial Statements of the Parent Company.

Dividends collected by the Parent Company came to € 52,660 thousand in 2007, compared to € 41,200 thousand in 2006.

Financial debt came to € 17,977 thousand on the Financial Statements of the Parent Company at December 31, 2007, marking a decrease of € 12,348 thousand with respect to December 31, 2006.
For information on the performance of subsidiaries, research, development and innovation activities, significant events occurring after the end of the financial year and business outlook, the reader is referred to the Consolidated Financial Statements, which are cited in their entirety.

Capital stock
At December 31, 2007, capital stock, fully subscribed and paid-up, amounted to € 12,220 thousand and was made up of 15,271,350 ordinary shares and 7,460,619 savings shares, for a total of 22,731,969 shares.

Treasury shares
At December 31, 2007, the Company held a total of 538,864 ordinary shares and 61,395 savings shares. During the year, the Company purchased a total of € 5,685 thousand in treasury shares. On October 25, 2007 the Board of Directors of SAES Getters S.p.A. resolved to proceed with the plan to purchase treasury shares in implementation of the resolution authorizing the plan passed by the Shareholders' Meeting on May 9, 2007.
Treasury shares were reclassified to decrease shareholders' equity in application of IAS 32.

The shareholders' equity of the Parent Company totalled € 98,267 thousand, and included, inter alia, the reserve for treasury shares in portfolio (€ 8,303, equal to the book value of ordinary and savings shares of SAES Getters in portfolio at year end), the reserve of positive monetary revaluation balances ensuing from the application of Law No. 72/1993 and Law No. 342/2000 (€ 1,727 thousand), the reserve for retained earnings (€ 14,448 thousand), the IAS conversion reserve (€ 2,712 thousand), the reserve for consolidation of the Taiwan branch (€ 5 thousand), and the reserve for capital gains on the sale of treasury shares in portfolio (€ 9 thousand). The cash flow hedge reserve, which stood at a positive € 89 thousand at December 31, 2006, generated by the *fair value* measurement of hedging contracts entered into by the Company to cover the exposure to fluctuations in expected cash flow from sales transactions in foreign currencies, was transferred in its entirety to the income statement.

Research, development and innovation costs were € 14,281 thousand in the Financial Statements of the Parent Company and € 17,752 thousand in the Consolidated Financial Statements. These costs were charged to income because they did not meet the requirements laid down in IAS 38 for mandatory capitalization. However, following the closure of the work order pertaining to the PageWafer product for MEMS, a total of € 183 thousand was capitalized.

Income taxes and deferred taxes posted a positive balance of € 5,328 thousand for the Parent Company and a negative balance of € 22,509 thousand in the Consolidated Financial Statements.
As regards the recording of deferred and prepaid taxes and the respective tax effects, the reader is referred to the remarks made by the Executive Directors and statements of temporary differences and associated tax effects.

On the basis of the foregoing, and in consideration of the results of our activity, we propose that the Shareholders' Meeting approve the Consolidated Financial Statements and Financial Statements of the Parent Company for the year ended December 31, 2007, as prepared by the Directors.

Lastly, we acknowledge that the Board of Directors has proposed the payment of a total dividend of € 1.550 for each of the 15,271,350 ordinary shares and € 1.566 for each of the 7,460,619 savings shares by distributing net income for the year and a portion of the available "retained earnings" reserve. In particular, considering that an interim dividend of € 0.550 per ordinary share and € 0.566 per savings share was distributed in December 2007, the Board of Directors proposes the distribution of the balance of € 1.000 per ordinary and savings share.

April 4, 2008

The Board of Statutory Auditors

saes getters

Independent auditors' report

ERNST & YOUNG

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INDEPENDENT AUDITORS' REPORT
pursuant to Article 156 of Legislative Decree No. 58 of February 24, 1998
(Translation from the original Italian text)

To the Shareholders of
Saes Getters S.p.A.

1. We have audited the consolidated financial statements of Saes Getters S.p.A. and its subsidiaries (the "SAES Group") as of and for the year ended December 31, 2007, comprising the balance sheet, the statement of income, changes in shareholders' equity and cash flows and the related explanatory notes. These consolidated financial statements are the responsibility of the Saes Getters S.p.A.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such consolidated financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 10, 2007.

3. In our opinion, the consolidated financial statements of the SAES Group at December 31, 2007 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the measures issued to implement art. 9 of the Italian Legislative Decree n° 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations, the changes in shareholders' equity and the cash flows of the SAES Group for the year then ended.

Milan, March 28, 2008

Reconta Ernst & Young S.p.A.
Signed by: Gabriele Grignaffini
(Partner)

This report has been translated into the English language solely for the convenience of international readers.

Reconta Ernst & Young S.p.A.
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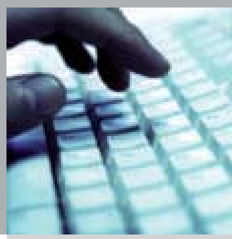


Information on the management of the SAES Getters S.p.A.

Financial highlights of SAES Getters S.p.A.

(thousands of euro)

Income statement data	Year 2007	Year 2006	Difference	Difference %
NET SALES				
- Information Displays	27,934	23,585	4,349	18.4%
- Industrial Applications	4,146	5,233	(1,087)	-20.8%
- Advanced Materials & Corporate Costs	1,656	1,357	299	22.0%
Total	**33,736**	**30,175**	**3,561**	**11.8%**
EBITDA*	(19,297)	(16,792)	(2,505)	14.9%
% on sales	-57.2%	-55.6%		
OPERATING INCOME (LOSS)				
- Information Displays	(14,930)	(6,292)	(8,638)	137.3%
- Industrial Applications	(3,042)	(5,492)	2,450	-44.6%
- Advanced Materials & Corporate Costs	(7,677)	(9,468)	1,791	-18.9%
Total	**(25,649)**	**(21,252)**	**(4,397)**	**20.7%**
% on sales	-76.0%	-70.4%		
NET INCOME	34,022	24,227	9,795	40.4%
% on sales	100.8%	80.3%		
Balance Sheet and Financial data	**31 December 2007**	**31 December 2006**	**Difference**	**Difference %**
Property, plant and equipment, net	20,396	22,983	(2,587)	-11.3%
Shareholders'equity	98,267	113,845	(15,578)	-13.7%
Net financial position	33,364	66,676	(33,312)	-50.0%
Other information	**31 December 2007**	**31 December 2006**	**Difference**	**Difference %**
Cash flow from operating activities	(17,111)	(5,508)	(11,603)	210.7%
Research & development expenses	14,281	12,575	1,706	13.6%
Number of employees as at 31 December**	295	298	(3)	-1.0%
Costo del personale	17,858	17,179	679	4.0%
Purchase of property, plant and equipment	2,724	3,901	(1,177)	-30.2%

* EBITDA is not deemed a measure of performance under International Financial Reporting Standards IFRS and must not be considered ads an alternative indicator of the Group's operations. 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 operating income plus depreciation and amortization of non-current assets.

** This figures includes personnel employed by Italian Group companies with contract types other than salaried employment agreements.

General Information on the management of the SAES Getters S.p.A.

The organizational structure of the Group, and consequently also that of SAES Getters S.p.A., as the Parent Company (hereinafter the "Company"), consists of two Business Units (Information Displays and Industrial Applications) and one Business Development Unit (Advanced Materials). Furthermore, due in part to the introduction of the new IFRS accounting standards, corporate costs and research and development costs for diversification in the area of advanced materials are disclosed separately from the two Business Units, Information Displays and Industrial Applications.

The organizational structure based on Business Units and Business Areas is shown in the following table:

Information Displays Business Unit	
Flat Panel Displays	Getters and metal dispensers for flat panel displays
Cathode Ray Tubes	Barium Getters for cathoderay tubes
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 insulated devices
Semiconductors	Gas purifier systems for the semiconductor industry and other industries
Advanced Materials Business Development Unit	
Advanced Materials	Getters for microelectronic and micromechaqnical systems, optical crystals, shape memory alloys

Following the entry into force of EC Regulation No. 1606/2002, the SAES Getters Group adopted IAS/IFRS effective from January 1, 2005. The Financial Statements of SAES Getters S.p.A. have been prepared according to the new standards.

Net sales in 2007 were €33,736 thousand, up 11.8% on the figure of €30,175 thousand recorded in 2006. The increase was primarily driven by the rise in sales of mercury dispensers used in cold cathode fluorescent lamps for the backlighting of liquid-crystal displays (the Flat Panel Displays Business Area), partially offset by the decline of the Cathode Ray Tubes Business Area, due to the impact of the high degree of maturity of the traditional cathode ray tube market, and in the Business Areas comprising the Industrial Applications Business Unit. The Advanced Materials Business Development Unit was up due to the increase in sales of thin getter films for MEMS applications and synthetic crystals for laser applications.

The operating loss came to €25,649 thousand in 2007, compared to €21,252 thousand in 2006. The increased loss was primarily due to the decrease in gross income and the increase in general and administrative expenses. Both items were negatively affected by significant non-recurring costs (write-downs of non-strategic production lines and consulting fees for special projects).

Dividends, net financial income, and net exchange gains came to €54,343 thousand in 2007, up from €41,398 thousand in 2006, primarily due to the increase in dividends collected.

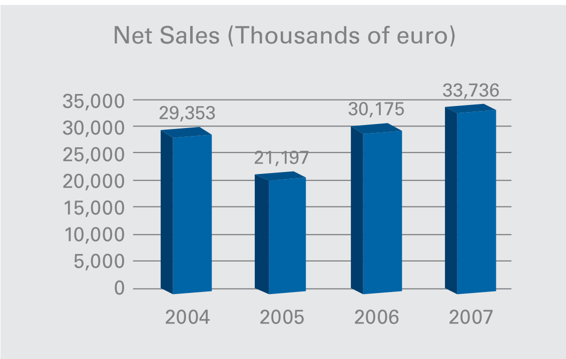
Net income in 2007 was €34,022 thousand, compared with €24,227 thousand in 2006, and represented 100.8% of net sales (80.3% in 2006).
The financial position at December 31, 2007 showed €33,364 thousand in net cash on hand, compared to €66,676 thousand at December 31, 2006.

Research, Development and Innovation Activities - Parent Company

Innovation activities in the OLED getter field were remarkably intense. In addition to the technical success of the launch of a pilot Dryflex line, which was susequently written down due to the customers' sudden decision to suspend production, we completed the first sample of a transparent organic getter for next-generation OLEDs.
In the MEMS getter field, important development work continued on lithographic technology, which allows for a sharp decrease in the cost of the process, an essential condition for accessing the consumer electronics components market. The pilot production line became fully operational, constantly manufacturing PageWafer samples for important MEMS customers for automotive, military, and consumer electronics applications.
In the SMA field, the optimization of the production processes for thin wires (76 microns) continued. The pilot facility, which has achieved a high degree of production efficiency, is responsible for preparing samples for customers and developing and consolidating the processes that are then to be transferred to the Avezzano production facility.
In the Opto field, work was done on the development of crystals for scintillators (LuYap) and lasers (Alessandrite).
The research and development activities requested by business managers to meet customers' needs focused on mercury dispensers and other families of getters used in lamps and industrial applications.
For further details on research and development activities, the reader is referred to the Information on the Group operations.

Sales and net income for the year ended December 31, 2007

Net sales in 2007 were €33,736 thousand, up 11.8% on the figure of €30,175 thousand recorded in 2006.

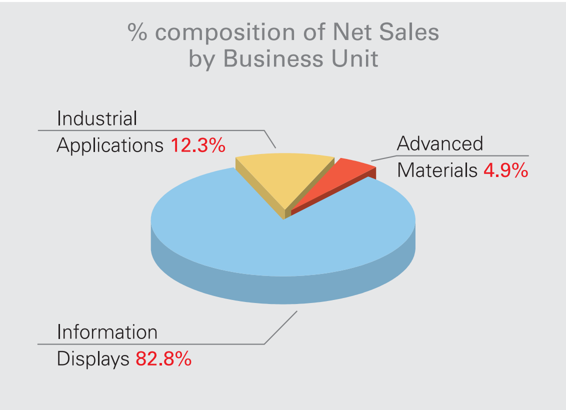


The Flat Panel Displays Business Area showed significant growth due to increased sales of mercury dispensers for liquid crystal displays on the Taiwanese market, whereas the Cathode Ray Tubes Business Area posted a sharp decline due to the maturity of the sector. The year also witnessed an increase in sales in the Advanced Materials Business Development Unit of thin getter films for MEMS applications and of synthetic crystals for laser applications.

A breakdown of net sales according to Business Unit and Business Area is given below. We report that net sales of getters for solar collectors, previously included in the Vacuum Systems and Thermal Insulation Business Area, were allocated to the Electronic Devices Business Area in 2007; the 2006 figures have consequently been reclassified to allow for a consistent basis of comparison.

(thousands of euro)

Business Unit e Business Area	**Year 2007**	**Year 2006**	**Total difference**	**Total difference %**	**Price/ quantity effect %**	**Exchange rate effect %**
Flat Panel Displays	22,356	12,033	10,323	85.8%	89.4%	-3.6%
Cathode Ray Tubes	5,578	11,552	(5,974)	-51.7%	-49.2%	-2.5%
Subtotal Information Displays	**27,934**	**23,585**	**4,349**	**18.4%**	**24.5%**	**-6.1%**
Lamps	644	747	(103)	-13.8%	-10.7%	-3.1%
Electronic Devices	2,846	3,336	(490)	-14.7%	-12.2%	-2.5%
Vacuum Systems and Thermal Insulation	645	1,134	(489)	-43.1%	-42.5%	-0.6%
Semiconductors	11	16	(5)	-31.3%	-31.3%	0.0%
Subtotal Industrial Applications	**4,146**	**5,233**	**(1,087)**	**-20.8%**	**-18.8%**	**-2.0%**
Subtotal Advanced Materials	**1,656**	**1,357**	**299**	**22.0%**	**22.0%**	**0.0%**
Total Net Sales	**33,736**	**30,175**	**3,561**	**11.8%**	**17.0%**	**-5.2%**



Net sales in the **Information Displays Business Unit** totalled €27,934 thousand, an increase of €4,349 thousand (+18.4%) on 2006. Currency trends produced a negative exchange rate effect of 6.1%.
Sales in the Cathode Ray Tubes Business Area fell by 51.7% following the decline of the cathode ray tube market due the maturity of the sector, which was more than offset by the rise in the Flat Panel Displays Business Area, up 85.8% (89.4% net of the negative exchange-rate effect of -3.6%).
This increase was due to greater sales on the Taiwanese market.

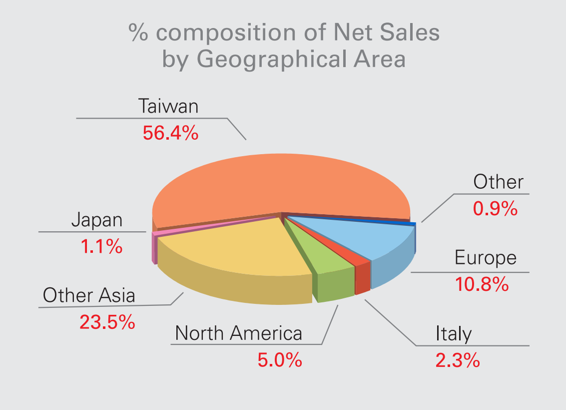
Net sales in the **Industrial Applications Business Unit** totalled €4,146 thousand, down by 20.8% on last year's figure. Currency trends produced a negative exchange rate effect of -2%. The decrease was primarily concentrated in the Electronic Devices and Vacuum Systems and Thermal Insulation Business Areas.

Net sales in the **Advanced Materials Business Development Unit** totalled €1,656 thousand, up 22.0% from the previous year's figure, essentially due to sales of thin getter films for MEMS applications.

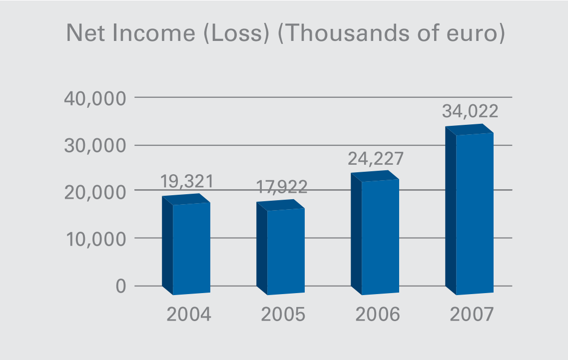
A breakdown is given below of net sales by geographical location of customers.

(thousands of euro)

Geographic Area	Year 2007	%	Year 2006	%	Total difference	Total difference %
Italy	762	2.3%	903	3.0%	(141)	-15.6%
Other UE and Europe	3,657	10.8%	6,054	20.0%	(2,397)	-45.3%
North America	1,696	5.0%	2,246	7.4%	(550)	-24.5%
Japan	381	1.1%	1,263	4.2%	(882)	-69.8%
Taiwan	19,004	56.4%	11,565	38.3%	7,439	64.3%
South Korea	-	0.0%	-	0.0%	-	0.0%
Other Asia	7,918	23.5%	7,255	24.0%	663	9.1%
Other	318	0.9%	889	2.9%	(571)	-64.2%
Total Net Sales	**33,736**	**100.0%**	**30,175**	**100.0%**	**3,561**	**11.8%**



Net sales registered a decrease across nearly all geographic areas, with a particular concentration in Europe as a result of a drop in sales of getters for cathode ray tubes. The Taiwanese market showed growth, as mentioned above, due to sales of dispensers for flat panel displays.



Net income for 2007 was €34,022 thousand, compared with €24,227 thousand in 2006.

Net income for the year includes depreciation of property, plant and equipment and amortization of intangible assets in a total amount of €4,211 thousand (€4,394 thousand in 2006).

The following table shows gross profit for 2007 and 2006 according to Business Unit:

(thousands of euro)

	Year 2007	Year 2006	Difference 2007/2006	Difference %
Information Displays	898	4,302	(3,404)	-79.1%
Industrial Applications	1,568	1,616	(48)	-3.0%
Advanced Materials & Corporate Costs	(252)	(459)	207	-45.1%
Gross Profit	**2,214**	**5,459**	**(3,245)**	**-59.4%**

Gross profit was €2,214 thousand in 2007 compared with €5,459 thousand in the previous year. Gross profit, as a percentage of net sales, fell from 18.1% in 2006 to 6.6% in 2007, chiefly as a result of the drop in the **Information Displays Business Unit**. This decrease was primarily driven by the increased weight of the reselling of products purchased from the subsidiary SAES Advanced Technologies S.p.A. within the mix of revenue earned in the Flat Panel Displays Business Area, in addition to the decline in sales of the Cathode Ray Tubes Business Area following the drop in demand during the year and the write-down of non-strategic production lines at the Lainate facility for €1,370 thousand.

EBITDA (earnings before income tax, depreciation, and amortization) came to a loss of €19,297 thousand, down from a loss of €16,792 thousand in 2006.

Operating loss totalled €25,649 thousand in 2007, compared to €21,252 thousand in 2006. The increased operating loss was primarily due to the decrease in gross profits described above and greater operating expenses for the year, whereas the 2006 results were negatively affected by restructuring costs for the Cathode Ray Tubes Business Area.

The following table shows operating loss for 2007 and 2006 according to Business Unit.

(thousands of euro)

	Year 2007	Year 2006	Difference 2007/2006	Difference %
Information Displays	(14,930)	(6,292)	(8,638)	137.3%
Industrial Applications	(3,042)	(5,492)	2,450	-44.6%
Advanced Materials & Corporate Costs	(7,677)	(9,468)	1,791	-18.9%
Operating Income (Loss)	**(25,649)**	**(21,252)**	**(4,397)**	**20.7%**

The increase in personnel costs, despite the substantial stability of the average workforce, gross of the effect of the extraordinary redundancy fund (C.I.G.S.), was due to increased costs and several additional accruals to the restructuring provision allocated as of December 31, 2006, which were required in the light of the revision of several estimates on the basis of information of which the Company became aware at a later date.

Research and development expenses, charged to income for the period as they do not meet the criteria laid down in IAS 38 for mandatory capitalization, totalled €14,281 thousand, compared with €12,575 thousand in 2006. As a percentage of net sales, these expenses came to 42.3% in 2007, compared to 41.7% in 2006.

In 2006 the item "Restructuring costs" included an accrual of €4,000 thousand for the process of rationalizing and reorganizing production in the Cathode Ray Tubes Business Area. The full balance of the provision was used in 2007.

The item "Other income (expenses), net" stood at net income of €6,801 thousand, compared with a net income of €8,239 thousand in 2006. The decrease was primarily due to the decline in income from licensing fees.

The algebraic sum of exchange gains and losses came to a positive net total of €341 thousand as of December 31, 2007, compared to a negative net total of €316 thousand in 2006.

Net dividends and financial income came to €54,002 thousand (including €52,660 thousand in dividends collected), compared to €41,714 thousand in 2006 (including €41,200 thousand in dividends collected). In further detail, financial income came to €2,159 thousand, up from €1,475 thousand in 2006. Financial expenses totalled €817 thousand compared with €961 thousand in 2006.

Income taxes totalled a positive €5,328 thousand compared with a positive figure of €4,081 thousand in the previous financial year. Taxes decreased from 20.26% of income before taxes in 2006 to 18.6% in 2007. This decrease in the ratio of taxes to income was principally due to an increase in the amount of dividends collected.

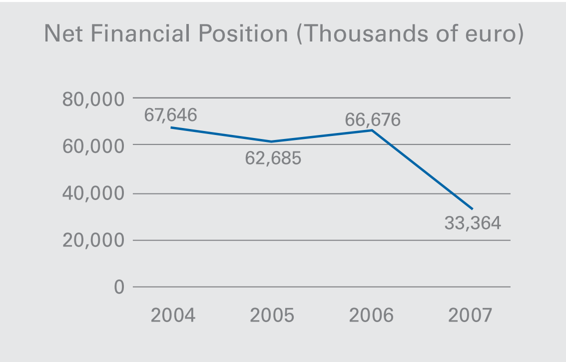
The Financial Statements and the Explanatory Notes included in the 2007 Report were audited by the auditing firm Reconta Ernst & Young S.p.A.

Financial position - Investments

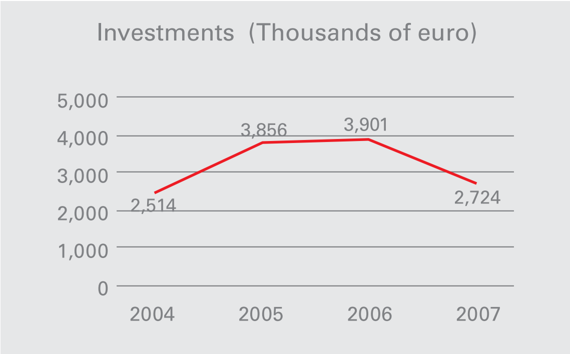
The following table provides a breakdown of the items comprising net financial position.

(thousands of euro)

	December 31, 2007	December 31, 2006
Cash on hands	14	18
Cash equivalents	36,126	70,376
Total cash and cash equivalents	**36,140**	**70,394**
Current financial assets	**285**	**109**
Bank overdraft	-	-
Current portion of long term debt	849	839
Other current financial liabilities	-	-
Total current liabilities	**849**	**839**
Current net financial position	**35,576**	**69,664**
Long term debt, net of current portion	2,212	2,988
Total non current liabilities	**2,212**	**2,988**
Net financial position	**33,364**	**66,676**

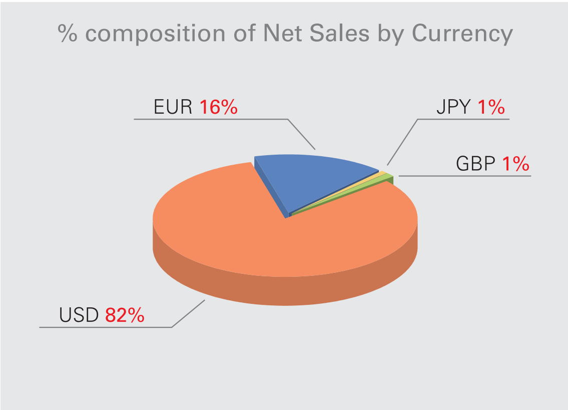


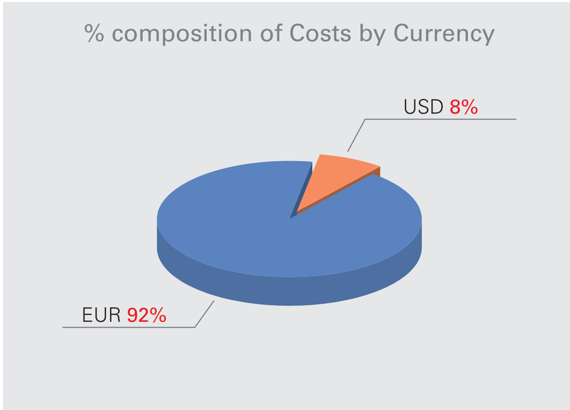
Financial position showed net liquidity of €33,364 thousand as of December 31, 2007, comprising cash and cash equivalents of €36,140 thousand, current financial assets of €285 thousand, and current financial liabilities of €3,061 thousand, compared to net liquidity of €66,676 thousand as of December 31, 2006. The decrease on December 31, 2006 was primarily due to the decline in the net balance of cash pooling agreements with subsidiaries (€13,743 thousand), disbursements for dividends and interim dividends (€43,821 thousand), the purchase treasury shares (€5,685 thousand), and investment activities, net of dividends collected (€5,787 thousand), partly offset by the financial resources provided by operating activities, including dividends (€35,549 thousand).



In 2007, **investments** in property, plant, and equipment totaled €2,724 thousand (€3,901 thousand in 2006).

The composition of net sales and operating costs by currency is given below.





Related Party Transactions

As regards transactions with Related Parties, identified on the basis of IAS 24 and Article 2359 of the Civil Code, transactions with subsidiary, jointly controlled and associated companies continued in 2007. Transactions with these counterparties were undertaken as part of the Company's ordinary operations. These transactions were predominantly commercial in nature and involved the purchase and sale of raw materials, semi-finished goods, finished goods, machinery, tangible assets and services of various kinds and were undertaken under at arm's-length financial conditions.
The main transactions with the subsidiaries, associates or joint ventures of the SAES Getters Group were as follows:

SAES ADVANCED TECHNOLOGIES S.p.A., Avezzano, AQ (Italy)
Revenues from royalties relating to the sale of getters for industrial applications; charge-backs relating to the use of software licenses purchased centrally; purchase of mercury dispensers used in liquid crystal displays; purchases of raw materials. In addition, an interest-bearing cash pooling agreement and a receivables insurance agreement have been entered into with SAES Advanced Technologies S.p.A.

SAES GETTERS USA. INC., Colorado Springs, CO (USA)
Sale of getters; purchase of finished goods for the Lamps Business Area; charge-backs relating to the use of software licenses purchased centrally and revenues from royalties relating to the use of the "SAES" brand. In addition, an interest-bearing cash pooling agreement is in effect.

SAES GETTERS AMERICA. INC., Cleveland, OH (USA)
Purchase of getters and income arising form the use of the "SAES" brand; charge-backs relating to the use of centrally acquired software licenses.

SAES PURE GAS. INC., San Luis Obispo, CA (USA)
Revenues from royalties relating to the sale of purifiers; charge-backs relating to the use of software licenses purchased centrally.

SAES SMART MATERIALS. INC., New York, NY (USA)
The company was formed on October 16, 2007 and on January 3, 2008 it closed its purchase of the near-entirety of the assets of the Shape Memory Alloys division of Special Metals Corporation.
Revenues arising from the charge-back of expenses for legal and administrative consulting related to the acquisition.

SAES GETTERS TECHNICAL SERVICE (Shanghai) CO., LTD., Shanghai (P.R. of China)
No transaction.

SAES GETTERS KOREA CORPORATION, Seoul (South Korea)
Sale of getters; revenues from royalties relating to the sale of barium getters; charge-backs relating to the use of software licenses purchased centrally. In addition, an interest-bearing cash pooling agreement is in effect.

SAES GETTERS JAPAN CO., LTD., Tokyo (Japan)
Sale of getters; charge-backs relating to the use of software licenses purchased centrally. In addition, an interest-bearing cash pooling agreement is in effect.

SAES GETTERS SINGAPORE PTE, LTD., Singapore (Singapore)
Sale of getters; charge-backs relating to the use of software licenses purchased centrally. In addition, an interest-bearing cash pooling agreement is in effect.

SAES GETTERS (DEUTSCHLAND) GmbH, Cologne (Germany)
Commission expenses on commercial transactions; charge-backs relating to the use of software licenses purchased centrally.

SAES GETTERS (GB). LTD., Daventry (Great Britain)
Commission expenses on commercial transactions; charge-backs relating to the use of software licenses purchased centrally.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A., Luxembourg (Luxembourg)
Coordination of services for the Group.

SAES GETTERS (NANJING) CO., LTD., Nanjing (P.R. of China)
Charge-backs relating to the use of software licences purchased centrally and administrative costs incurred centrally.

SAES OPTO S.r.l., Lainate MI (Italy)
The company was established on May 15, 2007 and operates in the optoelectronics sector (Advanced Materials Business Development Unit) with the support of two subsidiaries established in the first half of 2007.
Charge-backs for a lease agreement for office-use premises, assistance and consulting services, charge-backs relating to the use of software licenses purchased

centrally. In addition, an interest-bearing cash pooling agreement is in effect.

The subsidiary *SAES Opto Materials S.r.l.*, whose registered office is located in Cagliari, Italy, was established on April 3, 2007 by SAES Getters S.p.A., which then sold a 90% shareholding in the company to SAES Opto S.r.l. On May 10, 2007 the company purchased the "Opto" going concern from Scientific Materials Europe S.r.l., in which a 30% shareholding was sold by SAES Getters S.p.A. in the first half of 2007. Invoicing by SAES Opto Materials S.r.l. to SAES Getters S.p.A. of analysis and scientific research services.

The subsidiary *SAES Opto Components S.r.l.*, based in Lainate, Milan, Italy, and 52% owned by SAES Opto S.r.l., was formed on June 1, 2007. An interest-bearing cash pooling agreement is in effect.

DR. –ING. MERTMANN MEMORY-METALLE GmbH, Weil am Rhein (Germany)
Purchases of nickel alloy wires.

In addition, the Company has entered into agreements for the provision of commercial, technical, IT, legal, and financial services, the study of specific products, and the sale of know-how, which several subsidiaries (SAES Advanced Technologies S.p.A., SAES Getters USA, Inc., SAES Getters America, Inc., SAES Pure Gas, Inc., SAES Getters Korea Corporation, SAES Getters Japan Co., Ltd., SAES Getters Singapore PTE, Ltd., SAES Getters International Luxembourg S.A., and SAES Getters (Nanjing) Co., Ltd.), contracts for commercial services, technical, information technology, legal, financial, for the study of specific projects and for the transfer of know-how.

The Company manages and coordinates SAES Advanced Technologies based in Avezzano, Italy, as defined by Article 2497 et seq. of the Italian Civil Code.

The Company provides bank guarantees to its subsidiaries, as described in the note concerning potential liabilities and commitments.

Comments on the most significant transactions undertaken during 2007 are given in the Explanatory Notes, as part of the analysis on the composition of the individual items of the Financial Statements.

Financial transactions with the subsidiaries, associates or joint ventures of the SAES Getters Group are summarized below:

(thousands of euro)

Company	Receivables as of 31.12.2007	Payables as of 31.12.2007	Revenues Year 2007	Services Year 2007	Expenses Year 2007	Memorandum accounts as of 31.12.2007*
SAES Advanced Technologies S.p.A.	1,659	3,468	3,281	1,461	20,248	-
SAES Getters USA, Inc.	95	81	245	135	84	2,000
SAES Getters America, Inc.	241	25	1,507	32	175	-
SAES Pure Gas, Inc.	173	-	142	314	-	-
SAES Smart Materials Inc.	337	-	-	337	-	-
SAES Getters Technical Service Co., Ltd.	-	-	-	-	-	-
SAES Getters Korea Corporation	462	285	1,186	631	291	-
SAES Getters Japan Co., Ltd.	187	37	381	151	37	2,500
SAES Getters Singapore PTE, Ltd.	57	23	1,058	9	23	1,700
SAES Getters Deutschland GmbH	1	12	-	-	112	-
SAES Getters (GB), Ltd.	1	7	-	-	49	300
SAES Getters International Luxembourg S.A.	-	70	-	-	456	-
SAES Getters (Nanjing) Co., Ltd.	264	26	216	128	103	-
Dr. -Ing. Mertmann Memory-Metalle GmbH	-	-	4	-	-	-
SAES Opto Materials S.r.l.	56	97	-	-	378	-
SAES Opto Components S.r.l.	1	-	-	-	-	-
SAES Opto S.r.l.	42	-	29	-	-	-
Total	**3,576**	**4,131**	**8,049**	**3,198**	**21,956**	**6,500**

* includes guarantees issued by SAES Getters S.p.A.

The Company undertook the following transactions with Related Parties other than subsidiaries, associates and joint ventures:

- **S.G.G. Holding S.p.A.**, the controlling company. S.G.G. Holding S.p.A., substantially controlled by the former parties to the SAES Getters Shareholders' Agreement, is the Company's majority shareholder, holding, as of the reporting date, 7,887,410 ordinary shares representing 51.65% of the ordinary capital with voting rights.
  As regards the majority shareholding held by S.G.G. Holding S.p.A., we report that the latter does not manage or coordinate SAES Getters S.p.A. within the meaning given in Article 2497 of the Italian Civil Code. The evaluations conducted by the Board of Directors indicate that S.G.G. Holding S.p.A. does not play any role in defining the annual budget, long-term strategic plans or investment choices, does not approve specific significant transactions undertaken by the Company and its subsidiaries (acquisitions, disposals, investments, etc.) and does not coordinate business initiatives and actions in the sectors in which the Company and its subsidiaries operate. Furthermore, SAES Getters S.p.A. is entirely independent in its organization and decision-making and acts in an independent negotiating capacity in its dealings with customers and suppliers.
  It should be recalled that on May 12, 2005, a national tax consolidation agreement was signed with the controlling company S.G.G. Holding S.p.A. in order to control the effects of the joint exercise of the group taxation option, as described in Article 117 of the Consolidated Income Tax Act. In addition, the Company transferred €8,308 thousand in tax credits to S.G.G. Holding S.p.A.
  It should further be noted that, pursuant to Article 2428, subsections 3 and 4, of

the Italian Civil Code, the Company does not own shares of the controlling company, whether directly or through trusts or intermediaries. During 2007, no transactions were undertaken involving the purchase or sale of shares of the controlling company.

- **KS Studio Associato**, a tax, legal and financial consultancy firm whose founding member is Vicenzo Donnamaria, Chairman of the Board of Statutory Auditors of SAES Getters S.p.A. The firm provided tax, legal and financial consultancy services for a total annual amount of €138 thousand.

The following table details financial transactions with Related Parties other than subsidiaries, associates and joint ventures:

(thousands of euro)

Company	Receivables as of 31.12.2007	Payables as of 31.12.2007	Revenues Year 2007	Expenses Year 2007
S.G.G.Holding S.p.A.	8,308	-	-	-
KStudio Associato	-	66	-	138
Total	**8,308**	**66**	**-**	**138**

Pursuant to Consob communications of February 20, 1997 and February 28, 1998 and IAS 24, we report that in 2007 all Related Party transactions were undertaken at arm's-length financial conditions and no atypical, unusual or non-standard Related Party transactions were undertaken.

Information on the compensation and equity investments held by members of the Board of Directors, the Board of Statutory Auditors, General Managers, and Managers with Strategic Responsibilities

(the Group Human Resources Director and the Group Commercial Director)

Compensation

(thousands of euro)

	Year 2007	Year 2006
Short-term employee benefits	3,965	3,980
Post-employment benefits	-	-
Other long-term benefits	-	-
termination benefits	866	655
Share-based payments	-	-
Total compensations to key management personnel	**4,831**	**4,635**

For details of the compensation paid to Directors, the reader is referred to Note No. 6, which contains the information required by the Consob Regulation - Annex 3C.

Investments

Surname and first name	Company	Number of shares held at the end of last year	Number of shares bought in the current year	Number of shares sold in the current year	Number of shares held at the end of the current year	Notes (*)
Baldi Stefano	SAES Getters S.p.A.	2,140 12,008	2,070 -	2,140 6,000	2,070 6,008	Ordinary shares Saving shares
della Porta Giuseppe	SAES Getters S.p.A.	10,000 -	- 10,000	- 10,000	10,000 -	Ordinary shares Saving shares
della Porta Massimo	SAES Getters S.p.A.	340 15,000	4,660 -	- 15,000	5,000 -	Ordinary shares Saving shares
della Porta Paolo	SAES Getters S.p.A.	- 12,008	24,048 -	- -	24,048 12,008	Ordinary shares Saving shares (1)
Dogliotti Andrea	SAES Getters S.p.A.	105,641 -	- -	9,000 -	96,641 -	Ordinary shares (3) Saving shares
Gilardoni Andrea	SAES Getters S.p.A.	7,100 -	8,000 6,900	7,000 3,400	8,100 3,500	Ordinary shares Saving shares
Rolando Giuseppe	SAES Getters S.p.A.	13,000 2,000	11,400 7,676	2,000 -	22,400 9,676	Ordinary shares (2) Saving shares (1)

(*) Unless specifically mentioned, the shares held are understood to be fully owned.
(1) Registered to a spouse who is not legally separated;
(2) of which No. 6.400 registered to a spouse who is not legally separated;
(3) of which No. 95.641 charged with usufruct.

Additional information about the Company

To obtain information on:
- the performance of subsidiaries;
- Research, Development and Innovation activities;
- significant events occurring after the end of the year;
- the business outlook,

refer to the Consolidated Financial Statements, in which information about SAES Getters S.p.A is also provided.

Pursuant to subsection 26 of Annex B) to Legislative Decree No. 196 of June 30, 2003 (the "Personal Data Protection Code"), the Company declares that it has updated the Security Policy Document, pursuant to the provisions of the technical specifications concerning minimum security measures which form Annex B of the aforementioned Legislative Decree. The 2007 Security Policy Document was approved on March 18, 2008.

The Company has representative offices in Shanghai (People's Republic of China) and in Moscow (Russia), and a branch office in Jhubei City (Taiwan).

Information concerning the ownership structures set forth in article 123-*bis* of Legislative Decree No. 58/98 (Consolidated Finance Act), subsection one, are contained in the Corporate Governance Report drafted by the Company pursuant to articles 124-*bis* of the Consolidated Finance Act, 89-*bis* of the Consob Issuer Regulations, and article IA.2.6 of the Borsa Italiana Settlement Instructions. The Corporate Governance Report is included in the Financial Statement file and published on the Company's website, www.saesgetters.com, on the Corporate Documents page of the Investor Relations section.

Proposal to approve the Financial Statements and distribute a dividend

Shareholders,
Before submitting the Financial Statements and the proposed distribution of net income for the year for your approval, we would like to remind you that, pursuant to article 18 of the Company's Articles of Association, the compensation of the Board of Directors, the Audit Committee and the Oversight Committee in 2007 was charged to income for the sum of €232 thousand.
We ask you to approve the proposal to distribute net income and part of the "Retained earnings" available reserve. Please note that the legal reserve has already reached 20% of capital stock.

	euro	euro
From Net Income for the year		34,022,449.95
Net exchange gains – unrealised and undistributable		(2,554.45)
Distributable net income		34,019,895.50
Interim dividend – BoD resolution dated December 11, 2007 – paid on December 20, 2007 out of Net profit of the period Jan 1,2007 – Sep 30 2007:		
- euro 0,566 for each of the n. 7.460.619 saving shares		
- euro 0,550 for each of the n. 15.271.350 ordinary shares		
For a maximum total of :	12,621,952.85	
amount unpaid to Treasury shares	(308,111.82)	
Total paid:		12,313,841.03
A balance dividend on year 2007 proposed to be distributed:		
From Net Income for the year - distributable:		
- euro 0,954 for each of the n. 7.460.619 saving shares	7,117,430.53	
- euro 0,954 for each of the n. 15.271.350 ordinary shares	14,568,867.90	
For a maximum total of :		21,686,298.43
- to Retained earnings (rounding of figures)		19,756.04
From Retained earnings:		
equal to the saving and ordinary shares – euro 0,046 per share – for a maximum total of:		1,045,670.57
For a total dividend, including any proportion pertaining to treasury shares:		
- euro 1,000 for each of 7.460.619 savings shares		
- euro 1,000 for each of 15.271.350 ordinary shares		
for a maximum total of:		22,731,969.00
Total dividend year 2007:		
For n. 7.460.619 savings shares:		
Interim – euro 0,566 – for a total maximum of:	4,222,710.35	
Balance – euro 1,000 – for a total maximum of:	7,460,619.00	
Total dividend year 2007 - euro 1,566:		11,683,329.35
For n. 15.271.350 ordinary shares:		
Interim – euro 0,550 – for a total maximum of:	8,399,242.50	
Balance – euro 1,000 – for a total maximum of:	15,271,350.00	
Total dividend year 2007 - euro 1,550:		23,670,592.50
Interim dividend unpaid to Treasury sharesl		(308,111.82)
For a maximum total of :		35,045,810.03

The dividend will be paid, as calculated above, to entitled ordinary and savings shares in circulation, excluding treasury shares, as of May 2, 2008 (detachment of coupon No. 25). The shares will trade ex-dividend and reserve distribution as from April 28, 2008.

We further propose that any rounding in the payment be charged to the "Retained earnings" reserve.

Lainate, Milan, Italy, March 18, 2008

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



Separate financial statements of SAES Getters S.p.A. for the year ended December 31, 2007

Income Statement

(euro)

	2007	2006
Third party net sales	29,195,007	24,168,261
Intercompany net sale	4,541,000	6,006,703
Total Net sales	**33,736,007**	**30,174,964**
Third party cost of sales	(11,243,680)	(11,312,788)
Intercompany cost of sales	(20,278,320)	(13,403,169)
Cost of sales	(31,522,000)	(24,715,957)
Gross Profit	**2,214,007**	**5,459,007**
Research & development expenses	(14,281,083)	(12,575,040)
Selling expenses	(4,447,235)	(4,885,059)
General & administrative expenses	(15,936,210)	(13,490,250)
Total operating expenses	(34,664,528)	(30,950,349)
Restructuring costs	-	(4,000,000)
Third party other income (expenses), net	652,331	365,857
Intercompany other income (expenses), net	6,149,031	7,873,976
Total other income (expenses), net	6,801,362	8,239,833
Operating income (loss)	**(25,649,159)**	**(21,251,509)**
Dividends	52,660,404	41,199,917
Third party interest and other financial income	2,158,921	1,475,426
Third party interest and other financial expenses	(101,344)	(400,270)
Intercompany interest and other financial expenses	(715,647)	(561,077)
Total interest and other financial income, net	1,341,930	514,079
Foreign exchange gains (losses), net	341,120	(316,068)
Income before taxes	**28,694,295**	**20,146,419**
Income taxes	5,328,154	4,080,544
Net Income	**34,022,449**	**24,226,963**

Balance Sheet

(euro)

ASSETS	December 31, 2007	December 31, 2006
Non Current Assets		
Property, plant and equipment, net	20,396,125	22,982,702
Intangible assets, net	1,851,949	1,044,499
Investments	59,715,313	58,320,485
Deffered tax assets	919,606	2,216,454
Other long term assets	26,003	19,027
Total Non Current Assets	**82,908,996**	**84,583,167**
Current Assets		
Inventory	1,688,192	2,843,747
Third party trade receivables	4,055,185	3,919,516
Intercompany trade receivables	3,575,836	3,631,946
Trade receivables	7,631,021	7,551,462
Financial credits	1,396,515	-
Derivative financial instruments evaluated at fair value (cash flow hedge)	285,191	109,462
Tax consolidation receivables from controlling company	8,308,079	5,120,200
Prepaid expenses, accrued income and other	2,181,253	2,234,370
Cash and cash equivalents	36,139,942	70,394,161
Total Current Assets	**57,630,193**	**88,253,402**
Tota Assets	**140,539,189**	**172,836,569**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Capital stock	12,220,000	12,220,000
Share issue premium	42,994,225	48,678,745
Treasury shares	(8,302,856)	(2,618,336)
Legal reserve	2,444,000	2,444,000
Sundry reserves, retained earnings and accumulated losses	27,203,248	28,893,696
Net income for the period	34,022,449	24,226,963
Advance dividend	(12,313,841)	-
Shareholders' Equity	**98,267,225**	**113,845,068**
Non Current Liabilities		
Non current financial liabilities	2,212,050	2,988,512
Staff leaving indemnity and other employee benefits	5,331,431	6,062,720
Non current provisions	-	2,863,630
Total Non Current Liabilities	**7,543,481**	**11,914,862**
Current Liabilities		
Third party trade payables	3,667,050	4,131,726
Intercompany trade payables	4,130,925	3,357,320
Trade payables	7,797,975	7,489,046
Financial payables	17,977,120	30,324,820
Other payables	6,180,341	5,475,888
Accrued income taxes	188,355	242,440
Current provisions	1,653,607	2,565,134
Current portion of long term debt	849,250	839,355
Accrued liabilities	81,835	139,956
Total Current Liabilities	**34,728,483**	**47,076,639**
Total Liabilities and Shareholders' equity	**140,539,189**	**172,836,569**

Statement of Cash flows

(euro)

	2007		2006	
Cash flows provided from operating activities				
Net Income		34,022,449		24,226,963
Current income taxes		(6,677,380)		(3,667,424)
Change in deffered income tax expense		1,349,379		(250,189)
Depreciation of property, plant and equipment		3,750,861		3,857,086
Amortization of intangible assets		407,699		660,333
Write down (revaluation) of assets		2,140,748		332,000
Dividends in Income Statement		(52,660,404)		(41,199,917)
Interest and other financial income, net		(1,507,596)		(457,011)
Accrual for termination indemnities		1,252,080		1,658,481
Accrual (utilization) for risk and contingencies		(3,983,302)		4,155,702
		(21,905,466)		**(10,683,976)**
Change in operating assets and liabilities				
Cash increase (decrease) in:				
- Account receivables and other receivables	(3,401,280)		1,898,236	
- Inventories	1,155,200		894,000	
- Trade account payables	310,320		3,035,582	
- Other payables	648,336		(530,226)	
		(1,287,424)		**5,297,592**
Payments of termination indemnities		(2,048,200)		(672,979)
Interest and other financial receipts		1,507,596		1,053,269
Income taxes paid		6,622,389		(502,029)
Cash flow from operating activities		**(17,111,105)**		**(5,508,123)**
Cash flow used by investing activities				
Purchase of property, plant and equipment		(2,724,150)		(3,900,695)
Proceeds from sales of property, plant and equipment		183,245		92,740
Dividends receipt		52,660,404		41,199,917
Purchase of intangible assets		(1,850,890)		(518,199)
Decrease (increase) of non current financial assets		(1,395,428)		(10,849,948)
Cash flow from investing activities		**46,873,181**		**26,023,815**
Cash flows used by financing activities				
Proceeds from long-term debt		-		393,500
Increase (decrease) intercompany long term debt		(13,743,750)		12,305,489
Dividends paid		(43,821,150)		(29,265,116)
Purchase of treasury shares		(5,684,520)		-
Repayments of financial debt		(766,875)		(257,033)
Cash flow from financing activities		**(64,016,295)**		**(16,823,160)**
Increase (decrease) in cash equivalents		(34,254,219)		3,692,532
Cash and cash equivalents at beginning of the year		70,394,161		66,701,629
Cash and cash equivalents at end of the period		**36,139,942**		**70,394,161**

Statement of Changes in the Shareholders' Equity during the Period Ending December 31, 2007

(thousands of euro)

	Capital Stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves, retained earnings and accumulated losses						Net income (loss) for the period	Total shareholders' equity
					Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Purchase of treasury shares reserve	Other	Total		
Balance at December 31, 2006	**12,220**	**48,679**	**(2,618)**	**2,444**	**2,618**	**89**	**2,599**	**-**	**23,587**	**28,893**	**24,227**	**113,845**
Appropriation of 2006 income:												-
Dividends paid									24,227	24,227	(24,227)	
- euro 1.4000 for each of the 15,271,350 ordinary shares (of which treasury shares 302,028)									(20,957)	(20,957)		(20,957)
- euro 1.4160 for each of the 7,460,619 savings shares (of which treasury shares 10.013)									(10,550)	(10,550)		(10,550)
Proceeds of treasury shares									-	-		-
Capital Gain on proceeds of treasury shares										-		-
Reserve for *cash flow hedge* (IAS 39)						(89)			-	(89)		(89)
Consolidation Reserve					-				(5)	(5)		(5)
Increase (decrease) purchase of tresury shares reserve		(5,685)	(5,685)		5,685		-	-		5,685		(5,685)
Retained Earnings							(872)		872			-
Net income for the period											34,022	34,022
Advance dividend											(12,314)	(12,314)
Balance at December 31, 2007	**12,220**	**42,994**	**(8,303)**	**2,444**	**8,303**	**-**	**1,727**	**-**	**17,174**	**27,204**	**21,708**	**98,267**

Statement of Changes in the Shareholders' Equity during the Period Ending December 31, 2006

(thousands of euro)

	Capital Stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves, retained earnings and accumulated losses: Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Purchase of treasury shares reserve	Other	Total	Net income (loss) for the period	Total shareholders' equity
Balance at December 31, 2005	**12,220**	**38,273**	**(2,618)**	**2,444**	**2,618**	**(186)**	**2,599**	**10,406**	**34,920**	**50,357**	**17,922**	**118,598**
Appropriation of 2005 income:									17,922	17,922	(17,922)	-
Dividends paid:												
- euro 1.3000 for each of the 15,271,350 ordinary shares (of which treasury shares 302,028)									(19,460)	(19,460)		(19,460)
- euro 1.316 for each of the 7,460,619 savings shares (of which treasury shares 10.013)									(9,805)	(9,805)		(9,805)
Proceeds of treasury shares										-		-
Capital gain on proceeds of treasury shares										-		-
Reserve for *cash flow hedge* (IAS 39)						275				275		275
Increase (decrease) purchase of tresury shares reserve		10,406						(10,406)		(10,406)		-
Other movements									10	10		10
Net income for the period											24,227	24,227
Balance at December 31, 2006	**12,220**	**48,679**	**(2,618)**	**2,444**	**2,618**	**89**	**2,599**	**-**	**23,587**	**28,893**	**24,227**	**113,845**

Summary of main data of subsidiaries Financial Statements as of December 31, 2007

Balance Sheets 2007

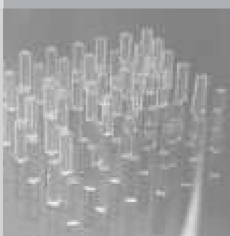
	Subsidiaries				
	SAES Advanced Technologies S.p.A.	SAES Getters USA, Inc.	SAES Getters Korea Corporation	SAES Getters Japan Co., Ltd.	SAES Getters Singapore PTE, Ltd.
	(thousands of euro)	(US dollars)	(thousands of Won)	(thousands of Yen)	(US dollars)
Property, plant and equipment, net	26,007	1,206,666	4,514,790	4,315	24,020
Intangible assets, net	3,544	73,880	9,278,155	803	15,939
Other non current assets	28	19,632,873	667,277	41,265	13,929
Current assets	31,100	4,889,432	38,090,560	1,675,109	1,184,015
Total Assets	**60,679**	**25,802,851**	**52,550,782**	**1,721,492**	**1,237,903**
Shareholders' Equity	38,978	20,613,129	43,846,173	589,512	809,701
Non current liabilities	3,683	1,293,633	-	-	5,704
Current liabilities	18,018	3,896,089	8,704,609	1,131,980	422,498
Total Liabilities and Shareholders' Equity	**60,679**	**25,802,851**	**52,550,782**	**1,721,492**	**1,237,903**

Income Statements 2007

	Subsidiaries				
	SAES Advanced Technologies S.p.A.	SAES Getters USA, Inc.	SAES Getters Korea Corporation	SAES Getters Japan Co., Ltd.	SAES Getters Singapore PTE, Ltd.
	(thousands of euro)	(US dollars)	(thousands of Won)	(thousands of Yen)	(US dollars)
Total net Sales	**75,420**	**8,499,126**	**42,324,354**	**6,742,146**	**3,234,241**
Cost of sales	(24,497)	(2,554,301)	(13,742,389)	(5,672,427)	(2,536,187)
Gross Profit	**50,923**	**5,944,825**	**28,581,965**	**1,069,719**	**698,054**
Research & development expenses	(2,314)	(75,365)	0	0	0
Selling Expenses	(1,956)	(1,056,490)	(526,285)	(388,782)	(620,994)
General & Administrative expenses	(3,741)	(499,924)	(1,211,887)	0	0
Toatal operating expenses	(8,011)	(1,631,779)	(1,738,172)	(388,782)	(620,994)
Other income (expenses), net	(4,233)	(272,301)	(954,710)	(15,687)	68,763
Operating Income	**38,678**	**4,040,745**	**25,889,083**	**665,250**	**145,823**
Interest and other financial income (expenses), net	144	8,068,512	1,305,375	(17,362)	32,310
Foreign exchange gains (losses), net	2,440	276,323	3,195,870	(17,113)	53,876
Income before taxes	**41,262**	**12,385,580**	**30,390,328**	**630,775**	**232,009**
Income taxes	(16,235)	(3,374,533)	(8,344,146)	(266,011)	(37,829)
Net income (loss)	**25,027**	**9,011,047**	**22,046,182**	**364,764**	**194,180**

Subsidiaries					
SAES Getters (Deutschland) GmbH	SAES Getters (GB), Ltd.	SAES Getters International Luxembourg S.A.	SAES Getters (Nanjing) Co., Ltd.	SAES Opto S.r.l.	Dr. -Ing. Mertmann Memory-Metalle GmbH
(thousands of euro)	(GB pounds)	(thousands of euro)	(chinese Renminbi)	(thousands of euro)	(thousands of euro)
23	9,726	-	45,991,122	1	236
-	-	-	6,278,418	32	5
34	-	18,702	78,534	1,550	-
570	24,997	623	126,435,994	230	603
627	**34,723**	**19,325**	**178,784,068**	**1,813**	**844**
440	-108,761	19,010	159,909,842	1,493	525
15	-	-	2,036	1	116
172	143,484	315	18,872,190	319	203
627	**34,723**	**19,325**	**178,784,068**	**1,813**	**844**

Subsidiaries					
SAES Getters (Deutschland) GmbH	SAES Getters (GB), Ltd.	SAES Getters International Luxembourg S.A.	SAES Getters (Nanjing) Co., Ltd.	SAES Opto S.r.l.	Dr. -Ing. Mertmann Memory-Metalle GmbH
(thousands of euro)	(GB pounds)	(thousands of euro)	(chinese Renminbi)	(thousands of euro)	(thousands of euro)
896	**62,663**	**462**	**114,930,253**	**179**	**1,692**
0	0	(175)	(69,242,740)	(166)	(1,057)
896	**62,663**	**287**	**45,687,513**	**13**	**635**
0	0	0	0	0	(70)
(434)	(161,265)	0	(6,748,102)	(171)	(168)
0	0	(889)	(10,678,573)	0	(272)
(434)	(161,265)	(889)	(17,426,675)	(171)	(510)
0	0	2	(1,360,789)	0	(13)
462	**(98,602)**	**(600)**	**26,900,049**	**(158)**	**112**
4	(6,073)	8,325	378,561	(2)	(4)
0	(189)	97	(549,894)	0	1
466	**(104,864)**	**7,822**	**26,728,716**	**(160)**	**109**
(186)	0	(849)	(2,721,966)	53	(42)
280	**(104,864)**	**6,973**	**24,006,750**	**(107)**	**67**



saes getters

Certification of the financial statements of the parent company

Certification of the financial statements of the parent company pursuant to article 81-*ter* of CONSOB Regulation No. 11971 of May 14, 1999, as amended

1. The undersigned, Giulio Canale, in his capacity as Managing Director and Chief Financial Officer, and Michele Di Marco, in his capacity of Officer Responsible for the preparation of the corporate financial reports, of SAES Getters S.p.A., hereby certify, pursuant to the provisions of article 154-bis, subsections 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

   - the adequacy in relation to the Company's characteristics (including any changes that occurred during the year);

   - the effective application;
     of the administrative and accounting procedures for the formation of the Financial Statements during the period from January 1 to December 31, 2007.

2. The following remarks apply to this situation:

   1. *The Administrative and Accounting Control Model of the SAES Getters Group*
   - On May 14, 2007, the Board of Directors of SAES Getters S.p.A. approved the Administrative and Accounting Control Model, the adoption of which is aimed at ensuring that SAES Getters complies with the provisions of Law No. 262 of December 28, 2005 (hereinafter the "Savings Law"), implemented in December 2006 through the approval of Legislative Decree No. 303/06, specifically obligations pertaining to the preparation of corporate accounting documents and all documents and communications of a financial nature diffused to the market;
   - The Control Model, which refers to the organizational structure of the SAES Getters Group in force at the time:
     . sets the roles and responsibilities of the entities involved in various capacities in the process of forming and/or controlling the financial information of the SAES Getters Group and introduces the role of Officer Responsible for the preparation of corporate accounting documents (hereinafter the "Internal Control Officer");
     . describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES Getters Group, in addition to specific components pertaining to administrative and accounting information;
     . regarding this latter aspect in particular, calls for the integration of the Group Accounting Principles and IAS Operating Procedures with a system of administrative and accounting procedures and the related control matrices;
     . establishes the conditions and frequency of the administrative and accounting risk assessment process in order to identify the processes of greatest relevance to accounting and financial information.

   2. *Administrative and accounting procedures and control matrices of SAES Getters S.p.A.*
   - On June 21, 2007, the Internal Control Officer issued thirteen Administrative and Accounting Procedures pertaining to the most significant processes within SAES Getters S.p.A., which were selected following the risk assessment conducted on the basis of the 2006 Financial Statements;
   - the Internal Control Officer, supported by the Internal Audit Department, identified the main control activities to be used to verify the application of each procedure;

- these activities were then divided according to who, on the basis of the current organizational structure, is responsible for control (known as the "control owner"), and the Internal Control Officer sent control owners their own "control matrices", asking them to review effective application and confirm adequacy and efficacy, or report controls that had become inoperative, inadequate, or obsolete due to internal organizational developments.

3. Results of the internal certification process of SAES Getters S.p.A.

- The control owners signed and sent to the Internal Control Officer "internal certification letters" in which they confirmed that they had verified the activities/processes forming the object of the controls for which they were responsible and deemed them suitable and operationally effective to ensuring the reliability of the corresponding information flows and the treatment of the associated data in accordance with the administrative and accounting procedures adopted by SAES Getters S.p.A.;
- the control owners also enclosed a signed copy of their "control matrices" with their internal certification letters, reporting any anomalies detected and indicating any corrective action taken or to be taken, where possible;
- as of today's date, the Internal Control Officer has received all twelve internal certification letters requested from the control owners of SAES Getters S.p.A.
- The results of the process, considering that it represents the first application of the administrative and accounting procedures system, were largely positive. The anomalies reported by certain managers were not such as to prejudice the reliability and completeness of accounting and financial information.
- The reports received may be divided into the following categories:
  a. controls that are carried out, but a different description from that of the procedures is suggested;
  b. controls are carried out at a frequency differing from that of the procedures;
  c. controls are carried out, but the manager has access to documentary evidence differing from that called for in the procedures;
  d. controls for which the documentary evidence requested is considered excessively burdensome.

In response to these reports, the Internal Control Officer, working with the Internal Audit Department, initiated a process of reviewing part of the administrative and accounting procedures, both in terms of controls requested and the associated documentary evidence, with the aim of issuing any updates by the end of April 2008, so that said updates might be used as a reference for the certification of the 2008 Half-Yearly Report.

4. Results of the review by the Internal Audit Department of SAES Getters S.p.A.

- The Internal Control Officer requested the support of the Internal Audit Department both for verification of the correspondence of condensed reporting with company records and accounting entries (see paragraph 3 of this Certification) and further verification of part of the controls included in administrative and accounting procedures by a department independent from the offices responsible for the controls.
- The first verification, which has been conducted on a quarterly basis since September 2007, concerned the correspondence of the general accounting ledger with the condensed reports generated by the financial data consolidation system (these reports were the basis for the official Balance Sheet and Income Statement) and all other quantitative indications provided in corporate accounting documents.

The results of the verification for the periods considered were entirely positive: the admittedly limited reconciliation problems that had been indicated in the report for the data from September 2007 were no longer encountered as early as the third quarter, subsequent to the annual Financial Statement data.

- The second verification, conducted in February and March 2008 with the support of a third-party consultancy firm, concerned the effective application of 25 controls selected by the Internal Audit Department through its assessment of the critical nature of the controls associated with the administrative and accounting procedures and statistical sampling of those deemed "key" controls for the purpose of the reliability and completeness of accounting and financial information.

  This activity also showed largely positive results, as reported by the Head of the Internal Audit Department, inasmuch as the anomalies detected were not such as to suggest that the system of administrative and accounting procedures had not been correctly applied nor to result in risks as to the accuracy and completeness of accounting and financial information.

3. Moreover, we hereby certify that the Financial Statements for the year ended on December 31, 2007:

   a) correspond to the results of company records and accounting entries;

   b) were drafted in compliance with the provisions of the Italian Civil Code and IAS/IFRS, and to the best of our knowledge, are suitable to providing a truthful, accurate representation of the earnings and financial position of the issuer.

Lainate, Milan, Italy, March 18, 2008

Managing Director Chief Financial Officer Giulio Canale	Internal Control Officer Michele Di Marco

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