



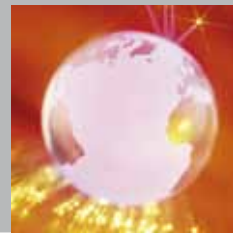
**saes
getters**

Consolidated Financial Statements **2009**

we support your **innovation**

SAES Getters Group

- **SAES Getters S.p.A.**
Lainate (MI) - Italy
- **SAES Getters S.p.A. - Japan Branch Office**
Tokyo - Japan
- **SAES Getters S.p.A. - Taiwan Branch Office**
Jhubei - Taiwan
- **SAES Opto S.r.l.**
Lainate (MI) - Italy
- **SAES Advanced Technologies S.p.A.**
Avezzano (AQ) - Italy
- **SAES Getters (GB), Ltd.**
Daventry - Great Britain
- **SAES Getters (Deutschland) GmbH**
Köln - Germany
- **Memry GmbH**
Weil am Rhein - Germany
- **SAES Getters International Luxembourg S.A.**
Luxembourg - Luxembourg
- **SAES Pure Gas, Inc.**
San Luis Obispo, CA - USA
- **SAES Getters USA, Inc.**
Colorado Springs, CO - USA
- **SAES Getters America, Inc.**
Cleveland, OH - USA
- **SAES Smart Materials, Inc.**
New York, NY - USA
- **Spectra-Mat, Inc.**
Watsonville, CA - USA
- **Memry Corporation**
Bethel, CT - USA
- **SAES Getters Export, Corp.**
Wilmington, DE - USA
- **SAES Getters (Nanjing) Co., Ltd.**
Nanjing - P.R. of China
- **Nanjing SAES Huadong Vacuum Material Co., Ltd.**
Nanjing - P.R. of China (51% joint venture company)
- **SAES Getters Japan Co., Ltd.**
Tokyo - Japan
- **SAES Getters Korea Corporation**
Seoul - South Korea
Jincheon-kun - South Korea
- **SAES Getters Singapore PTE, Ltd.**
Singapore - Singapore



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Consolidated Financial Statements 2009

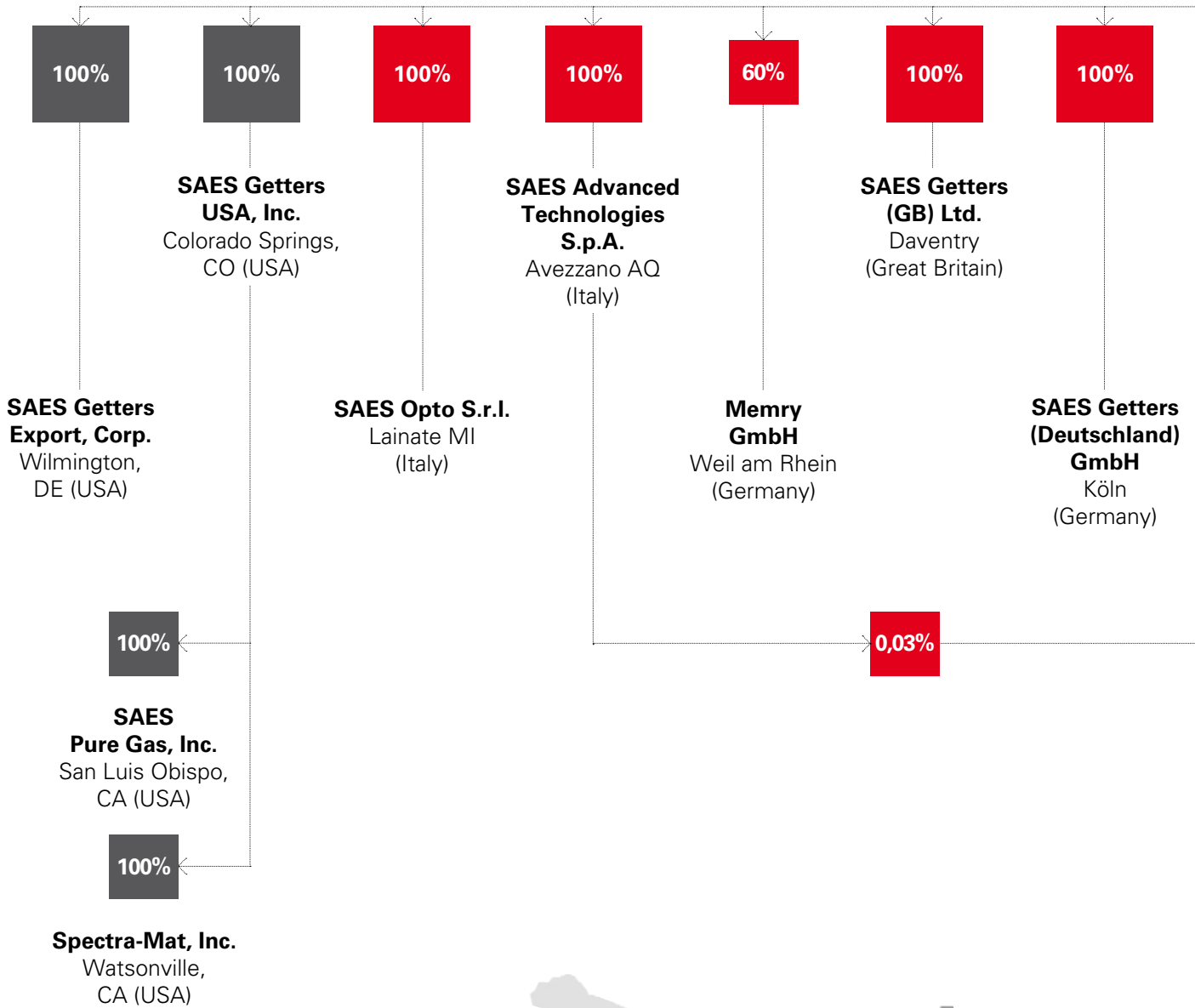
SAES Getters S.p.A.

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, 2009



SAES Getters S.p.A.

99,97%

SAES Getters International Luxembourg S.A.
Luxembourg
(Luxembourg)

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)

Taiwan Branch Office
Jhubei
(Taiwan)

Japan Branch Office
Tokyo
(Japan)

100%

SAES Getters Singapore PTE, Ltd.
Singapore
(Singapore)

62,52%

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)

100%

Memry Corporation
Bethel,
CT (USA)

Board of Directors

<i>President</i>	Massimo della Porta
<i>Vice President and Managing Director</i>	Giulio Canale
<i>Directors</i>	Stefano Baldi ^{(1) (2)} Giuseppe della Porta ⁽²⁾ Adriano De Maio ^{(1) (2) (3) (4)} Andrea Dogliotti ^{(2) (3)} Andrea Gilardoni ⁽²⁾ Pietro Alberico Mazzola ⁽²⁾ Roberto Orecchia ^{(2) (4)} Andrea Sironi ^{(1) (2) (3) (4)} Gianluca Spinola ⁽²⁾

- (1) Members of the Compensation Committee
(2) Non executive directors
(3) Members of the Audit Committee
(4) Independent directors

Board of Statutory Auditors

<i>President</i>	Vincenzo Donnamaria
<i>Statutory Auditors</i>	Maurizio Civardi Alessandro Martinelli
<i>Alternate Statutory Auditors</i>	Fabio Egidi Piero Angelo Bottino

Audit firm Reconta Ernst & Young S.p.A.

The term of office of the Board of Directors and of the Board of Statutory Auditors, elected on April 21, 2009, expires at the Shareholders' Meeting in which the financial statements for the year ended December 31, 2011 are approved.

Powers

Pursuant to Article no. 20 of the Articles of Association, the President and the Vice President and Managing Director are jointly and each of them separately 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 21, 2009, the Board of Directors granted the President and the Vice President and 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' Meeting.

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

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Letter to Shareholders

Dear Shareholders,

2009 was one of the most difficult years in the history of our Group. The global recession has led to a sales volumes contraction in many of the major areas in which we operate. The situation is especially critical in the Information Displays business, which suffered a drop in turnover due to the concurrence of three negative factors. The decrease of television set prices in the end user market pushed producers to reduce the number of minifluorescent lamps used for each display and to ask for increasing discounts, in order to lower their costs. The pressure on prices has furthermore increased, following the emergence of low-cost and poor quality competition. The producers of television sets have accelerated the introduction of alternative technologies for LCD screen backlighting, in order to maintain their market shares.

This scenario was expected, although with a different timing on the basis of this assumption the Group had adopted a diversification strategy which led to the acquisition of Memry Corporation and two other companies in 2008. Unfortunately, the worldwide economic recession has sharply worsened the downward trend, which is typical of a mature business, but the Group has promptly reacted by implementing restructuring plans that affected all areas and that, although painful, led to a strong decrease in operating costs. The 2009 financial statements are heavily penalized by the non-recurring costs associated with the restructuring plans, the benefits of which will be increasingly evident in the coming years as the markets will gradually recover.

Only companies with a strong innovation vocation will be able to overcome this recession that strongly affected all the industry sectors. SAES Getters is recognized as a world center of expertise in the development of getters and advanced materials, thanks to the diversification policy implemented in the past years. Our strategy as well as the investment in research and development, remained substantially unchanged compared to the past, will allow us to overcome the crisis.

In 2009 the Group has already begun to reap the benefits of the diversification program, successfully implementing the business model of the getters for MEMS. The process of expansion of our product and technology portfolio will continue in 2010 and in the years to come, enabling us to recover the level of revenues lost as a result of this crisis, and also to recover the leadership in the Information Displays market, that will see new technological change (from LCDs to OLEDs) in the next years. Other important results are expected in the coming months from the industrial applications of shape memory alloys and also from new getters for industrial applications.

The balance sheet solidity, as outlined by the stability of the net financial position during this difficult year, together with a strict cost control, will bring the Group back to good levels of profitability.

Massimo della Porta
President





saes
getters

Group financial highlights

Group financial highlights

(thousands of euro)

Income statement data	2009	2008 restated (1)	Difference	Difference %
NET SALES				
- Information Displays	33,603	75,034	(41,431)	-55.2%
- Industrial Applications	60,580	63,732	(3,152)	-4.9%
- Shape Memory Alloys	34,279	17,624	16,655	94.5%
- Advanced Materials	343	295	48	16.3%
Total	128,805	156,685	(27,880)	-17.8%
GROSS PROFIT				
- Information Displays	17,522	54,594	(37,072)	-67.9%
- Industrial Applications	28,794	30,979	(2,185)	-7.1%
- Shape Memory Alloys	5,990	4,344	1,646	37.9%
- Advanced Materials	(651)	3	(654)	n.s.
Total	51,655	89,920	(38,265)	-42.6%
% on sales	40.1%	57.4%		
Adjusted GROSS PROFIT	59,430	89,920	(30,490)	-33.9%
% on sales	46.1%	57.4%		
EBITDA (2)	12,949	41,810	(28,861)	-69.0%
% on sales	10.1%	26.7%		
Adjusted EBITDA (2)	19,506	43,580	(24,074)	-55.2%
% on sales	15.1%	27.8%		
OPERATING INCOME (LOSS)				
% on sales	(2,754)	23,291	(26,045)	-111.8%
Adjusted OPERATING INCOME (LOSS) (3)	5,228	32,561	(27,333)	-83.9%
% on sales	4.1%	20.8%		
NET INCOME (LOSS) (4)	(26,297)	19,360	(45,657)	-235.8%
% on sales	-20.4%	12.4%		
Balance sheet and financial data	December 31, 2009	December 31, 2008 restated	Difference	Difference %
Property, plant and equipment, net	65,932	76,910	(10,978)	-14.3%
Shareholders' equity	98,851	142,356	(43,505)	-30.6%
Net financial position	(20,419)	(20,293)	(126)	0.6%
Other information	2009	2008 restated	Difference	Difference %
Cash flow from operating activities	5,557	33,766	(28,209)	-83.5%
Research and development expenses (5)	15,642	17,657	(2,015)	-11.4%
Number of employees as at December, 31 (6)	1,042	1,448	(406)	-28.0%
Personnel cost (7)	57,008	49,916	7,092	14.2%
Purchase of property, plant and equipment	7,241	11,050	(3,809)	-34.5%

(1) Please note that figures of 2008 have been reclassified in order to make them comparable with those of 2009. In particular:

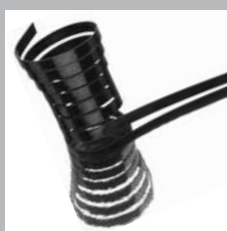
- figures related to the business of getters for microelectronic and micromechanical systems (MEMS) and to the products of Spectra-Mat, Inc., used in the semiconductor laser devices to manage heat dissipation (Thermal Management) in high power applications, previously included in the Advanced Materials Business Development Unit, have been allocated to the Electronic Devices Business, inside the Industrial Applications Business Unit;
- sales related to getters for solar collectors and to getter products to absorb hydrogen gas used in sealed containers for military use, previously included in the Electronic Devices Business, have been reclassified into the Vacuum Systems and Thermal Insulation Business;
- following the change in the product mix, resulting from the acquisitions made during 2008, and the change of the information system, in 2009 it was completed a study to make the criteria of allocation of operating costs to the various business units more consistent with the changed market situation and with the strategic repositioning of the SAES Getters Group. Similarly, also in 2008 the operating expenses were reclassified among the various business units to enable a coherent comparison;
- following the sale of the indirect owned subsidiary Opto Materials S.r.l. (December 18, 2009) and the decision to liquidate its direct owned subsidiary SAES Opto S.r.l., both operating in the optoelectronic business, the figures of these companies have been reclassified in a separate income statement item "Income (loss) from assets held for sale and discontinued operations". Please also note that the 2008 figures have been rectified (with an effect on net income and on net equity) in compliance with the requirements of IFRS 3, following the completion of the initial accounting of Memry Corporation aggregation, acquired on September 29, 2008.

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

depreciation and amortization".

For Adjusted EBITDA we intend EBITDA rectified in order not to include non recurring items and in any case items considered by the management as not meaningful with reference to the current operating performance. Please refer for the calculation to the table "Non recurring income and expenses".

- (3) Net of non recurring costs and other costs considered by the management as not meaningful with reference to the current operating performance. Please refer for the calculation to the table "Non recurring income and expenses".
- (4) It includes the net loss from assets held for sale and discontinuing operations equal to -3.095 thousand of euro in 2009 and 1,172 thousand of euro in 2008.
- (5) Research & development expenses include in 2009 non recurring costs equal to 1,837 thousand of euro; net of these non recurring costs, they are equal to 13,805 thousand of euro (or 10.7% of net consolidated sales). Non recurring costs included in 2008 research and development expenses are instead equal to 535 thousand of euro.
- (6) As at December 31, 2009 this item includes: employees for 1,021 units and personnel employed with contract types other than salaried employment agreements equal to 21 units. As at December 31, 2008 this figure includes the employees of Putnan Plastics, sold on February 9, 2009 (154 units) and those of Opto Materials S.r.l. (12 units) whose sale has been finalized on December 18, 2009.
- (7) In 2009 personnel cost includes non recurring expenses equal to 5,709 thousand of euro (severance costs net of C.I.G.O - ordinary redundancy fund - savings); in 2008 one-off costs were equal to 60 thousand of euro.
- (8) This item includes costs that cannot be directly attributed or allocated in a reasonable way to the business units, but which are related to the Group as a whole.



**Report on operations of
the SAES Getters Group**

Report on operations

Apioneer in the development of getter technology, the SAES® Getters Group is the world leader in a wide range of scientific and industrial applications that require high vacuum conditions or ultra-pure gases. In nearly 70 years of operation, the Group's getter solutions have supported the technological innovation in sectors including information displays and illumination, complex high-vacuum systems and thermal-vacuum insulation, 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 addressing to the advanced materials market, in particular the shape memory alloys's market, a family of advanced materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. They are mainly applied in the biomedical sector and, more in general, in niche industrial field.

With an overall production capacity spread out over twelve facilities on three continents, a commercial and technical support network with worldwide coverage and nearly 1,000 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 business structure identifies three Business Units, Information Displays, Industrial Applications and Shape Memory Alloys, and a Business Development Unit, Advanced Materials. The corporate costs (those expenses that cannot be directly attributed or allocated in a reasonable way to the business units, but which refer to the Group as a whole) and the costs related to the research and development projects undertaken to achieve the diversification in the area of advanced materials (Advanced Materials Business Development Unit), are shown separately from the three Business Unit.

The following table illustrates the Group's organizational structure:

Information Displays Business Unit	
Liquid Crystal Displays	Getter and metal dispensers for liquid crystal 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, getters for solar collectors, getters for microelectronic and micromechanical systems (MEMS)
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems, getters for solar collectors and products for thermal insulation
Semiconductors	Gas purifier systems for the semiconductor industry and other industries
Shape Memory Alloys Business Unit	
Shape Memory Alloys	Shape memory alloys
Advanced Materials Business Development Unit	
Advanced Materials	Dryers and highly sophisticated getters for OLED and sealants for solar panels

Information Displays Business Unit

Liquid Crystal Displays Business

For the television set, monitor and liquid crystal display industry, SAES Getters develops technologies that are considered strategic for maintaining the vacuum and for absorbing harmful gases in the cold cathode fluorescent lamps for the LCD's displays back-lighting, thereby allowing for improved efficiency and longer lifespan of displays.

Cathode Ray Tubes Business

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.

Industrial Applications Business Unit

Lamps Business

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

The Electronic Devices Business 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 getter solutions for MEMS are also included in the Electronic Devices Business. In particular, 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 lifespan.

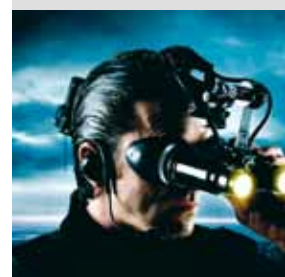
Vacuum Systems & Vacuum Thermal Insulation Business

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.

The Vacuum Systems & Vacuum Thermal Insulation Business also includes getter solutions for vacuum thermal insulation of solar collectors.

Semiconductors Business

The mission of this Business 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. 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.

Shape Memory Alloys Business Unit

Shape Memory Alloys (SMA) Business

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. These special alloys have their applications mainly in biomedical field and, more in general, in niche industrial field.



Advanced Materials Business Development Unit

Organic Electronics

Organic semiconductors have opened a new frontier in both displays and solid-state lighting: SAES Getters already supplies dryers and highly sophisticated getters for displays and lamps based on OLEDs (Organic Light Emitting Diodes) and a new generation of liquid getters for the next-generation of ultra-flat large-screen TVs is currently in the advanced testing stages.



Photovoltaic Industry

In the expanding renewable energy business, thin-film photovoltaic panels are winning market share due to their competitive pricing and ease of architectural integration. SAES Getters' expertise in the getters sector can contribute to increasing the reliability and extending the lifespan of thin-film photovoltaic panels by supplying a sealant strip that, if applied to the edge of a panel, ensures that the two layers of glass that comprise it remain attached, while also preventing the entry of water vapor that would damage the structure of the photovoltaic thin film.

Energy Storage

SAES Getters is exploring next-generation electrochemical energy storage devices such as super-condensers and lithium batteries. In particular, the Group is developing systems for checking the generation of gas inside these devices whose main application is in hybrid automobiles.

Main events for the year ended December 31, 2009

The year 2009 was a difficult one for SAES Getters inasmuch as it witnessed a dramatic decline in its sales in the Information Displays business, which in recent years had provided the greatest contribution to revenue and, more generally, to the Group's results. Nonetheless, SAES Getters succeeded in maintaining strong sales and margins (adjusted EBITDA of 15.1% of consolidated revenue) owing to the containment of costs due to the restructuring plans implemented during the previous year, a thorough savings policy applied to all levels of the Group and diversification into the medical business,

which was achieved through acquisitions in the shape-memory alloy (SMA) business closed in 2008.

The recession and the ensuing slowdown in consumer spending had begun to negatively effect sales of the Information Displays Business in the third quarter of 2008.

The crisis then shifted from merely cyclical to structural in nature: the recession generated excess stock and triggered price pressure, which in turn led directly to a decline in components used in television sets (in particular, a decline in cold cathode florescent lamps – or CCFLs – used for the backlighting of LCDs and, thus, the mercury dispensers manufactured by SAES Getters that allow them to function).

The critical factors described above were exacerbated by the technological competition provided by LED-backlighting (in replacement of CCFLs) and direct competition from Asian competitors that offer low-cost products of lower quality.

The structural crisis that has stricken the Information Displays segment would have had a greater impact on sales and consolidated margins if the Group had not implemented a policy of diversifying its business, which in 2008 led to the acquisition of SAES Smart Materials, Inc. and Memry Corporation, both of which operate in the shape-memory alloy (SMA) sector, and of Spectra-Mat, Inc.

These acquisitions decreased the SAES Group's dependency on the Information Displays segment, allowing the Group to look at the future with greater peace of mind.

During 2009, SMA technology, which had already taken root in the medical industry, achieved its first important results in the industrial area, specifically the automotive and consumer electronics businesses, where the efforts made over the year resulted in the intensification of contacts with world leaders in these markets.

During the year 2009, a commercial partnership agreement in the microelectronic and micro-electro-mechanical devices segment was reached with STMicroelectronics, a world leader in the semiconductor industry. This agreement, which calls for the integration of thin-film getters into the MEMS gyroscopes manufactured by ST, is the fruit of years of the ongoing collaboration between the two firms and is an example of diversification strategy of getter products for emerging, rapidly growing and high-tech sectors.

The SAES Getters Group has also intensified its commitment to innovative business initiatives (in Information Displays, the solar segment, energy storage for environmentally friendly and sustainable transportation and lighting), the full effects of which will become apparent in coming years.

During the year, with a view towards completing these projects and reacting to the above-mentioned structural decline of the LCD business, the Group launched and implemented a plan for reorganizing and rationalizing its structure with the aim of ensuring a recover of profitability.

This plan includes measures aimed at:

- consolidating and rationalizing industrial activities;
- reducing all structural costs; and
- disposing of certain non-strategic production lines.

In particular, as part of this plan, it was decided to exit the optoelectronics business, no longer viewed as strategic, and to proceed with the liquidation of the subsidiaries SAES Getters (GB), Ltd. and SAES Getters (Deutschland) GmbH, while serving the market in other ways; the commercial subsidiaries SAES Getters Singapore PTE, Ltd. (operating primarily in the CRT business) and SAES Getters Japan Co., Ltd. have also embarked upon the liquidation process, which should come to an end in 2010.

As part of the announced restructuring plan, SAES Getters America, Inc. will also discontinue its manufacturing operations in the first half of 2010, after which it will engage solely in commercial activities.

In addition, the Parent Company and its subsidiary SAES Advanced Technologies S.p.A. entered into ordinary redundancy fund and occupational mobility agreements with trade unions.

In parallel, the Group has continued with the plan for containing fixed costs launched in late 2008 with the aim of bringing the structure of such costs into line with the changed market scenario. In particular, operating expenses, net of one-off expenses, gradually decreased in 2009, bearing witness to the swift reaction time shown by SAES Getters and the commitment of all of its functions to responding to this difficult time.

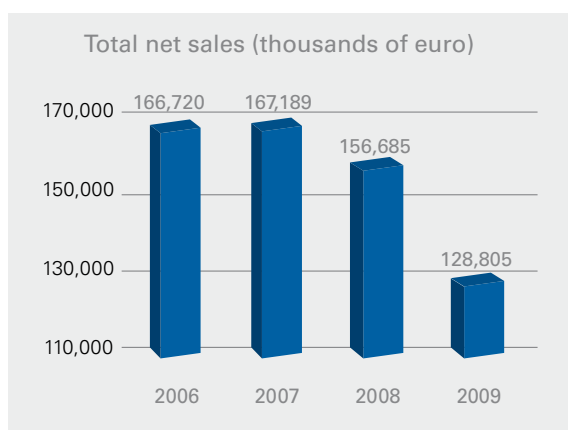
The disposal of the assets of Putnam Plastics, the polymers division of the subsidiary Memry Corporation, was closed on February 9, 2009 for the amount of \$25 million. This sale was part of SAES Getters' strategy of focusing investments and resources on its strategic core business of shape memory alloys (SMA) for medical and industrial applications, and also allowed the generation of positive cash flow and an improvement of the Group's net financial position.

On December 18, 2009 was finalized the sale of Opto Materials S.r.l. (previously SAES Opto Materials S.r.l.) for consideration of 880 thousand of euro. The direct parent company, SAES Opto S.r.l., which engaged primarily in the marketing of the optical crystals manufactured by its former subsidiary, will be liquidated in 2010 as a consequence of the decision to exit the unprofitable optoelectronics business (for further details, please refer to the section "Subsequent events").

On April 21, 2009, the shareholders' meeting resolved to assign to Dr Ing. Paolo della Porta, as career bonus, 100,000 (one hundred thousand) ordinary shares of SAES Getters S.p.A. stock, held in the Company's portfolio, in addition to a lump sum to allow him to pay the required withholding taxes.

Year 2009 was the 60th of Paolo della Porta's extraordinary career. This recognition was viewed as a matter of duty, in addition to being well deserved, for a brilliant inventor who developed the first SAES Getters laboratories in a basement after World War Two, a scientist who has succeeded in combining the values of entrepreneurship and business with those of research and innovation.

Sales and economical result for the year 2009



In 2009, the SAES Getters Group achieved a **consolidated turnover** of 128,805 thousand of euro, with a decrease of 17.8% compared to 156,685 thousand of euro in 2008.

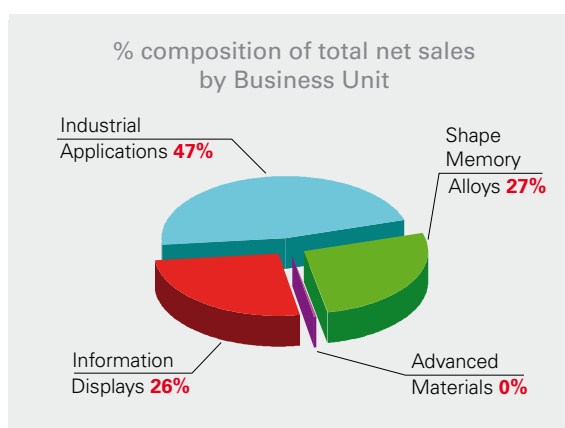
The **exchange rate effect** was positive and equal to 2.7% and was mainly due to the strengthening of the US dollar and of the Japanese yen compared to the previous year, partly rectified by the weakening of the Korean won.

The positive exchange rate effect occurred mainly in the first semester (+5.2% as of

June 30, 2009); this effect, still remaining positive, decreased in the second half of the year as a consequence of the progressive weakness of the US dollar (the average exchange rate of the US dollar remained anyway below than the previous year).

Consolidated revenues within the same scope of consolidation would have been equal to 106,178 thousand of euro. The change in the scope of consolidation generated an increase in turnover of 14.4% considering the acquisition of Spectra-Mat, Inc. (finalized at the end of February 2008) and that of Memry Corporation (end of September 2008).

Net sales of the polymer division of Memry Corporation (equal to 1,215 thousand of euro), sold on February 9, 2009, and the net direct sales realized by SAES Opto Materials S.r.l. (through the controlling company SAES Opto S.r.l., equal to 294 thousand of euro), sold on December 18, 2009, are not included in the consolidated net sales, but they have been reclassified in the line "Income (loss) from assets held for sale and discontinued operations".



The following table contains a breakdown of net sales in 2009 and in 2008 by business segment, along with the percent change at current and comparable exchange rates:

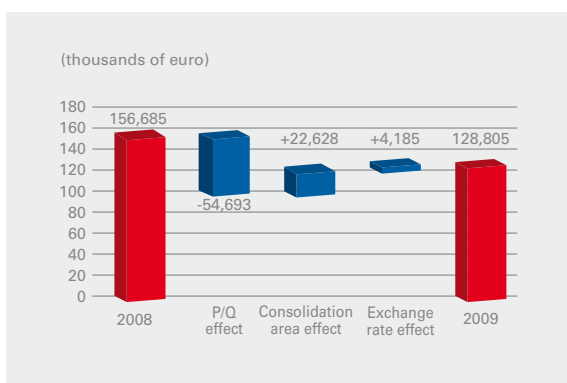
(thousands of euro)

Business	2009	2008 (*)	Difference	Difference %	Consolidation area effect %	Price/Quantity effect %	Exchange rate effect %
Liquid Cristal Displays	29,584	64,634	(35,050)	-54.2%	0.0%	-55.4%	1.2%
Cathode Ray Tubes	4,019	10,400	(6,381)	-61.4%	0.0%	-63.7%	2.3%
Subtotal Information Displays	33,603	75,034	(41,431)	-55.2%	0.0%	-56.5%	1.3%
Lamps	10,413	11,508	(1,095)	-9.5%	0.0%	-13.6%	4.1%
Electronic Devices	22,093	20,230	1,863	9.2%	3.7%	1.4%	4.1%
Vacuum Systems and Thermal Insulation	13,134	11,430	1,704	14.9%	0.0%	10.5%	4.4%
Semiconductors	14,940	20,564	(5,624)	-27.3%	0.0%	-31.3%	4.0%
Subtotal Industrial Applications	60,580	63,732	(3,152)	-4.9%	1.2%	-10.2%	4.1%
Subtotal Shape Memory Alloys	34,279	17,624	16,655	94.5%	124.1%	-32.9%	3.2%
Subtotal Advanced Materials	343	295	48	16.3%	0.0%	11.4%	4.9%
Total net sales	128,805	156,685	(27,880)	-17.8%	14.4%	-34.9%	2.7%

(*) Please note that sales of 2008 have been reclassified in order to make them comparable with those of 2009. In particular:

- sales related to the business of getters for microelectronic and micromechanical systems (MEMS) and to the products of Spectra-Mat, Inc., used in the semiconductor laser devices to manage heat dissipation (Thermal Management) in high power applications, previously included in the Advanced Materials Business Development Unit, have been allocated to the Electronic Devices Business, inside the Industrial Applications Business Unit;
- sales related to getters for solar collectors and to getter products to absorb hydrogen gas used in sealed containers for military use, previously included in the Electronic Devices Business, have been reclassified into the Vacuum Systems and Thermal Insulation Business;
- following the sale of the indirect owned subsidiary Opto Materials S.r.l. (December 18, 2009) and the decision to liquidate the direct owned subsidiary SAES Opto S.r.l., both operating in the optoelectronic business, the 2008 sales of these companies have been reclassified in a separate income statement item "Income (loss) from assets held for sale and discontinued operations".

The following graph shows the trend of the consolidated net sales in 2009:



Consolidated turnover of the **Information Displays Business Unit** amounted to 33,603 thousand of euro, with a decrease of 41,431 thousand of euro (-55.2%) compared to 75,034 thousand of euro in 2008. The currency trend resulted in a positive exchange rate effect of 1.3%.

Net of the exchange rate effect, the drastic drop of 56.5% is due first of all to the decline in the market for cathode ray tubes (CRTs), and then to the irreversible and structural decline in the

business of fluorescent lamps for the backlighting of liquid crystal displays (LCDs). In particular, the strong and progressive decrease in 2009 sales of the LCD sector is the result of a combination of several factors that have had a penalizing effect on both volumes and prices: to the process of reduction and optimization of the number of cold cathode fluorescent lamps (CCFLs) used for each single display, it must be added the emergence of low-cost competition in the Asian markets and also the technological competition of the LED backlighting (replacing CCFLs).

The turnover of the *Liquid Crystal Displays Business* amounted to 29,584 thousand of euro, compared to 64,634 thousand of euro in 2008 (-54.2%); the currency trend resulted in a positive exchange rate effect equal to 1.2%.

The *Cathode Ray Tubes Business* achieved a turnover of 4,019 thousand of euro, down by 61.4% compared to 10,400 thousand of euro in 2008. The positive exchange rate effect was equal to 2.3%.

The consolidated turnover of the **Industrial Applications Business Unit** was equal to 60,580 thousand of euro in 2009, compared to 63,732 thousand of euro in the previous year (-4.9%). The exchange rate effect was positive and equal to 4.1%.

Sales increased in all sectors, except for semiconductors and lamps, which have been more affected by the negative economic cycle.

Please note the increase in sales mainly of getter solutions for MEMS, of getters for solar collectors (total sales of 5,955 thousand of euro in 2009 compared to 5,029 thousand of euro in 2008), of porous getters for infra-red detectors and of supports for the heat dissipation used in high power lasers. The Lamps and the Semiconductors Businesses, despite lower sales in 2009 compared to the previous year, after a rather weak first half of the year, showed a recovery in the second half of the year.

Turnover of the *Lamps Business* amounted to 10,413 thousand of euro, down by 9.5% compared to 11,508 thousand of euro in 2008. The positive effect of exchange rates was equal to 4.1%.

Turnover of the *Electronic Devices Business* amounted to 22,093 thousand of euro in 2009 with a growth of 9.2% compared to 2008. Net of the positive exchange rate effect (4.1%), sales increased by 5.1%. The change in the scope of consolidation (acquisition of Spectra-Mat, Inc., finalized on February 22, 2008) has generated an increase in turnover of 748 thousand of euro (+3.7%).

Turnover of the *Vacuum Systems and Thermal Insulations Business* was 13,134 thousand of euro in 2009, an increase of 14.9% compared to 11,430 thousand of euro in 2008. The

exchange rate effect was positive and equal to 4.4%.

Turnover of the *Semiconductors Business* was 14,940 thousand of euro in 2009, down by 27.3% compared to 20,564 thousand of euro in 2008. The currency trend resulted in a positive exchange rate effect equal to 4%.

The consolidated turnover of the **Shape Memory Alloys Business Unit** amounted to 34,279 thousand of euro in 2009 compared to 17,624 thousand of euro in 2008 and it primarily consolidates revenues generated by the companies whose acquisitions were finalized during 2008. Within the same scope of consolidation (that means excluding the revenues produced by Memry Corporation in the first nine months of 2009), turnover would have been equal to 12,399 thousand of euro. The exchange rate effect was positive and equal to 3.2%.

After above-average results in the first months of the year (higher sales volumes to support some clients in launching new products), in the second half of the year there was a slowdown in sales caused by excessive stocks accumulated by the same customers. In the second half of the year, SMA revenues were also penalized by an unfavorable trend of the US dollar exchange rate.

In 2009, consolidated turnover of the **Advanced Materials Business Development Unit** was equal to 343 thousand of euro, with a slight increase when compared to that of 2008 (295 thousand of euro). The exchange rate effect was positive and equal to 4.9%.

A breakdown of revenues by geographical location of customers is provided below:

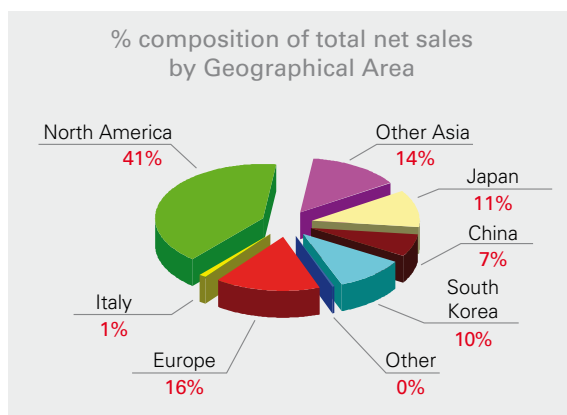
(thousands of euro)

	2009	%	2008	%	Difference	Difference %
Italy	1,269	1.0%	836	0.5%	433	51.8%
Europe	20,402	15.8%	23,801	15.2%	(3,399)	-14.3%
North America	52,539	40.8%	32,625	20.8%	19,914	61.0%
Japan	14,098	10.9%	37,303	23.8%	(23,205)	-62.2%
South Korea	13,479	10.5%	21,314	13.6%	(7,835)	-36.8%
China	8,666	6.7%	14,133	9.0%	(5,467)	-38.7%
Other asian countries	17,853	13.9%	24,264	15.5%	(6,411)	-26.4%
Other	499	0.4%	2,409	1.5%	(1,910)	-79.3%
Total net sales	128,805	100%	156,685	100%	(27,880)	-17.8%

There was a significant revenues increase in North America, primarily attributable to the consolidation of the companies acquired in 2008 (Spectra-Mat, Inc. - February 2008, and Memry Corporation - September 2008); in particular, the change in the perimeter has generated an increase in sales equal to 22,012 thousand of euro.

On the other hand, there was a decline in sales in the Far East (mainly in South Korea, in Japan and in Taiwan) due to the above mentioned contraction in sales in the LCDs business.

The revenues decrease in China is mainly



related to the continuous decline in the CRT market. Always in China, sales of purifiers for the semiconductors industry declined, being the business strongly dependant on the economic cycle.

In 2009 **consolidated gross profit** amounted to 51,655 thousand of euro, compared to 89,920 thousand of euro in 2008. The gross margin, as a percentage of revenues, was 40.1% compared to 57.4% in 2008.

In 2009 the gross profit was penalized by non-recurring charges equal to 7,775 thousand of euro (please refer to the details in paragraph related to one-off costs); net of such costs, the **adjusted gross profit** would have been equal to 59,430 thousand of euro; as a percentage of revenues, the adjusted gross margin would have been equal to 46.1%, a decrease when compared to 2008 primarily due to the revenues contraction in the Liquid Crystal Displays business and to the integration of Memry Corporation, whose margins are lower than those of the rest of the Group (please refer to the Business Unit comments for further details).

The following table shows gross profit by Business Unit in 2009 and in 2008:

(thousands of euro)

	2009	2008	Difference	%
Information Displays	17,522	54,594	(37,072)	-67.9%
Industrial Applications	28,794	30,979	(2,185)	-7.1%
Shape Memory Alloys	5,990	4,344	1,646	37.9%
Advanced Materials & Corporate Costs	(651)	3	(654)	n.s.
Gross profit	51,655	89,920	(38,265)	-42.6%

The gross profit of the **Information Displays Business Unit** amounted to 17,522 thousand of euro in 2009 compared to 54,594 thousand of euro in 2008 (-67.9%). Net of one-off costs equal to 3,503 thousand of euro, the adjusted gross profit is equal to 21,025 thousand of euro or 62.6% of consolidated revenues (compared with a gross margin equal to 72.8% in 2008). Despite the drastic decline in revenues (-55.2%) due to a contraction both in volumes and prices, the Group has managed to maintain good margins through a rationalization of the industrial activities and the containment of the indirect production costs.

The gross profit of the **Industrial Applications Business Unit** amounted to 28,794 thousand of euro in 2009 down with respect of 30,979 thousand of euro in 2008. As a percentage of revenues, the gross margin was equal to 47.5% compared to 48.6% in 2008; despite a different composition of the sales mix, the industrial gross margin remains substantially aligned with that of the previous year. Please note that in 2009 the industrial gross profit includes non-recurring charges of 134 thousand of euro, net of which the adjusted gross margin would have been equal to 47.8%.

The gross profit of the **Shape Memory Alloys Business Unit** amounted to 5,990 thousand of euro in 2009, corresponding to 17.5% of consolidated turnover. In 2008 the gross profit was 4,344 thousand of euro (24.6% of revenues). Net of non-recurring charges (amounting to 3,900 thousand of euro), the adjusted gross profit for the year is equal to 9,890 thousand of euro, or 28.9% of consolidated SMA sales, increased when compared to 2008 solely as a result of the integration of Memry Corporation in the consolidation area.

Finally, it should be noted that the cost of goods sold of the SMA Business Unit was penalized by a higher depreciation resulting from the measurement at fair value of assets and liabilities following the completion of the initial accounting of Memry Corporation aggregation, in accordance with the requirements envisaged by IFRS 3. After excluding these non-cash charges, which amounted to 427 thousand of euro, the industrial gross profit increases to 10,317 thousand of euro (30.1% as a percentage of sales).

The gross profit of the **Advanced Materials Business Development Unit & Corporate Costs** was negative and equal to 651 thousand of euro, against a substantial balance in the previous year (3 thousand of euro). Non-recurring charges included in cost of goods sold amounted to 238 thousand of euro.

The **consolidated operating result** was negative and equal to 11,646 thousand of euro in 2009, compared to a positive figure equal to 30,791 thousand of euro in 2008.

The operating loss includes non-recurring charges (as in the detail reported in the paragraph related to one-off costs) equal to 16,874 thousand of euro; net of such costs, the **adjusted operating income** was positive and equal to 5,228 thousand of euro (4.1% of consolidated sales). Despite the structural crisis of the Information Displays business and the particularly negative economic situation that has characterized some of the other sectors throughout the year 2009, the drastic reduction of fixed costs has helped to close the year with a positive operating income, net of extraordinary operations.

Please note that in 2008 non-recurring operating expenses amounted to 1,770 thousand of euro¹.

The decrease in operating income compared to the previous year is due solely to the reduction of the industrial gross profit; in fact, after excluding non-recurring costs and within the same scope of consolidation (that means without considering the operating costs of the first two months of 2009 incurred by Spectra-Mat, Inc., and of the first nine months of 2009 incurred by Memry Corporation, totalling 5,894 thousand of euro), operating expenses decreased by 8,898 thousand of euro (a result of both the restructuring and the implemented savings) and they were equal to a total amount of 48,890 thousand of euro in 2009 against 57,788 thousand of euro in 2008.

The following table shows gross profit by Business Unit in 2009 and in 2008:

(thousands of euro)

	2009	2008	Difference	%
Information Displays	8,703	44,341	(35,638)	-80.4%
Industrial Applications	13,621	15,611	(1,990)	-12.7%
Shape Memory Alloys	(6,028)	(2,769)	(3,259)	-117.7%
Advanced Materials & Corporate Costs	(27,942)	(26,392)	(1,550)	-5.9%
Operating income (loss)	(11,646)	30,791	(42,437)	-137.8%

The operating income of the **Information Displays Business Unit** amounted to 8,703 thousand of euro in 2009 (equal to 25.9% of consolidated revenues) compared to 44,341 thousand of euro in 2008 (59.1% of revenues).

¹ 1,235 thousand of euro related to the implementation of the new Group ERP and 535 thousand of euro related to the write-down of a research project.

Excluding one-off costs, the adjusted operating income amounted to 13,549 thousand of euro (40.3% of consolidated sales), down when compared to 2008 due to the drastic drop in sales resulting from the structural crisis in the LCD Business. Instead, operating expenses (net of one-off costs) decreased from 10,296 thousand of euro in 2008 to 7,426 thousand of euro in 2009 (-2,870 thousand of euro).

The operating income of the **Industrial Applications Business Unit** amounted to 13,621 thousand of euro in 2009 (22.5% of consolidated revenues) with a decrease if compared to 15,611 thousand of euro in 2008 (24.5% of revenues). After excluding non-recurring costs which have penalized the results in 2009, the adjusted operating margin would have been equal to 24.2% (14,680 thousand of euro in absolute terms), substantially aligned with the one of the previous year.

The operating income of the **Shape Memory Alloys Business Unit** was negative and equal to 6,028 thousand of euro, compared to a negative 2,769 thousand of euro in 2008. Please note that this result includes non-recurring charges equal to 4,191 thousand of euro, and excluding them, the adjusted operating result would have been equal to -1,837 thousand of euro.

This result is further penalized by a higher depreciation resulting from the measurement at fair value of assets and liabilities following the completion of the initial accounting of Memry Corporation aggregation (2,234 thousand of euro); excluding all the effects mentioned above, the adjusted operating income would be substantially at balance (397 thousand of euro).

The increase in operating expenses is related solely to the enlargement of the scope of consolidation (operating expenses of Memry Corporation amounted to 5,630 thousand of euro in the first nine months of 2009) and to 2009 one-off costs ; net of these items, operating expenses would have totalled 6,463 thousand of euro, down with respect of 7,192 thousand of euro in the previous year.

The negative operating result of the item **Advanced Materials & Corporate Costs** (-27,942 thousand of euro) includes both the result of the Advanced Materials Business Development Unit and those costs that cannot be directly attributed or reasonably allocated to any other business sector but that refer to the Group as a whole. While in 2008 non-recurring charges were equal to 1,770 thousand of euro (consultant fees related to the implementation of the new Group ERP for 1,235 thousand of euro and write-down of a research project for 535 thousand of euro), in 2009 one-off costs amounted to 6,778 thousand of euro. Net of non-recurring charges, operating expenses changed from 24,473 thousand of euro in 2008 to 20,445 thousand of euro in 2009, primarily as a result of lower G&A costs.

On the whole, the item **"Personnel cost"** came to 57,008 thousand of euro in 2009. Net of extraordinary items (severance costs and savings achieved through the use of the ordinary redundancy fund), personnel cost came to 51,299 thousand of euro, up from 49,916 thousand in 2008, due solely to the effect of the consolidation of the newly acquired U.S. companies. If the change in the scope of consolidation is excluded, personnel cost came to 41,128 thousand of euro, down by 17.6% on the previous year owing to the reduction in the average number of the Group's salaried employees due to the rationalization of its industrial, sales and marketing and structural operations.

Consolidated EBITDA was equal to 12,949 thousand of euro in 2009, compared to 41,810 thousand of euro in 2008. As a percentage of revenues, EBITDA was equal to 10.1% in the year 2009, compared to 26.7% in the previous year.

Net of non-recurring charges (for further details please refer to the following paragraph), 2009 **adjusted EBITDA** as a percentage on sales was equal to 15.1% (19,506 thousand of euro): despite the progressive reduction in turnover, the continuous fixed cost reduction actions and the rationalization processes undertaken to date have helped to maintain over the year an adjusted EBITDA substantially aligned to that of the first half 2009 (15.0%).

The following table summarizes adjusted figures (net of non recurring income and expenses) as of December 31, 2009:

(thousands of euro)

	Gross profit	EBITDA	Operating income (loss)	Income (loss) before taxes
2009	51,655	12,949	(11,646)	(20,364)
Non recurring costs	7,775	6,557	16,874	22,860
2009 net of non recurring costs	59,430	19,506	5,228	2,496

Below the details of **non recurring income** and **expenses** included in the costs of sales, operating expenses, other net income and the net financial result in 2009:

Non recurring income and expenses - 12 months ended Dec 31, 2009

(thousands of euro)

	Income	Expenses	Total
Cost of sales			
Amortization, depreciation and write down	0	(7,259)	(7,259)
Severance and other personnel indemnities	668	(1,119)	(451)
Other expenses	0	(65)	(65)
Total cost of sales	668	(8,443)	(7,775)
Operating expenses			
Amortization, depreciation and write down	0	(3,058)	(3,058)
Severance and other personnel indemnities	357	(5,615)	(5,258)
Stock and cash grant	0	(1,447)	(1,447)
Other expenses	0	(57)	(57)
Total operating expenses	357	(10,177)	(9,820)
Other income (expenses), net			
Other income (expenses)	1,075	(354)	721
Total other income (expenses), net	1,075	(354)	721
Interests and other financial income (expenses)			
Other expenses	0	(5,986)	(5,986)
Total interests and other financial income (expenses)	0	(5,986)	(5,986)
Total effect on pre-tax income	2,100	(24,960)	(22,860)

In 2009 **non recurring costs** related to the **restructuring plan** amounted to 16,200 thousand of euro.

We report that the consolidated net result includes 3,095 thousand of euro of **costs related to discontinued operations** (for further details please refer to Note no. 11).

The balance of other net income (expenses) was positive at 955 thousand of euro against a positive balance equal to 429 thousand of euro in 2008. The positive increase

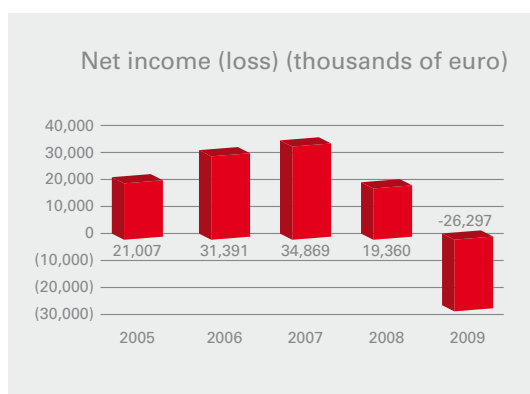
is mainly explained by insurance reimbursements received by the Italian companies and by the German subsidiary Memry GmbH.

The net balance of financial income (expenses) was a negative for -7,501 thousand of euro against a negative balance of 473 thousand of euro in 2008. In particular, the financial income amounted to 478 thousand of euro, down with respect of 1,917 thousand of euro in 2008, primarily for the reduction of bank interest income because of lower average interest rates recognized by the banks and of the lower liquidity available on the current accounts of the Group.

Financial expenses were equal to 7,979 thousand of euro, compared to 2,390 thousand of euro in the previous year. The increase is mainly due to the accrual related to estimated liabilities deriving from contractual commitments subscribed with the third parties shareholders of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. when it was established, that have become onerous following the changed economic situation (please refer to Note no. 28).

The algebraic sum of the exchange rate differences, positive for 485 thousand of euro in 2008, has a negative balance of 1,217 thousand of euro in 2009. The reduction in net income on exchange rates is due to lower revenues resulting from the conversion of cash and cash pooling financial receivables denominated in euro of the foreign subsidiaries, as a result of both the reduction of the average stock of cash deposits in euro of those subsidiaries, and the greater stability, compared to the previous year, of the local currencies (particularly the Korean won) against the euro, the currency of reference for such cash deposits. This decrease is partially offset by the effect of the evaluation at fair value of hedging derivatives.

Income taxes were 2,838 thousand of euro against 10,271 thousand of euro in 2008. The presence of taxes, despite a negative consolidated pre-tax income, was mainly due to the current taxes of some American companies and of the Korean subsidiary that ended the year with a positive pre-tax income.



Consolidated net income was negative and equal to 26,297 thousand of euro in 2009 against a positive net income of 19,360 thousand of euro in the previous year. This result includes a net loss arising from discontinued operations and from assets held for sale equal to -3,095 thousand of euro (for further details please refer to Note no.11 of the Notes to the Consolidated Financial Statement).

Net result includes **amortization and depreciation** equal to 14,633 thousand of euro (10,720 thousand of euro in 2008) of which 672 thousand of euro in greater depreciation due to the decrease in the estimated useful lives of assets allocated to the Information Displays segment. Net of these one-off costs, the increase compared to 2008 is primarily attributable to the change in the scope of consolidation.

This item also includes depreciation and amortization (2,234 thousand of euro) of non-current assets designated at fair value following the completion of the initial recognition of the Memry Corporation business combination in accordance with the provisions of IFRS 3.

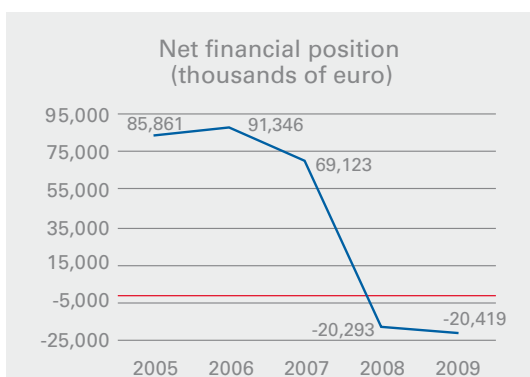
The **research and development costs**, charged to the income statement were 15,642 thousand of euro and included non recurring costs equal to 1,837 thousand of euro; net of these one-off costs, R&D expenses would have been equal to 10.7% on consolidated net sales and on a percentage basis, they are in line with previous year's ones (10.9%, net of non recurring costs equal to 535 thousand of euro).

Financial position – Investments - Other information

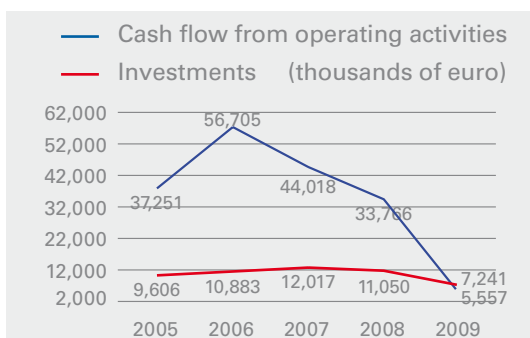
A breakdown is given below of the items making up the consolidated financial position:

(thousands of euro)

	December 31, 2009	June 30, 2009	December 31, 2008
Cash on hand	13	19	29
Cash equivalents	22,311	24,462	37,289
Cash and cash equivalents	22,324	24,481	37,318
Current financial assets	11	707	0
Bank overdraft	(4,033)	(8,827)	(35,928)
Current portion of long term debt	(24,730)	(3,805)	(2,795)
Other current financial liabilities	(590)	(426)	(1,433)
Current financial liabilities	(29,353)	(13,058)	(40,156)
Current net financial position	(7,018)	12,130	(2,838)
Long term debt, net of current portion	(12,713)	(36,632)	(16,815)
Other non current financial debt	(688)	(640)	(640)
Non current financial liabilities	(13,401)	(37,272)	(17,455)
Net financial position	(20,419)	(25,142)	(20,293)



The **consolidated net financial position** was negative and equal to 20,419 thousand of euro as of December 31, 2009 (represented by cash and cash equivalents for 22,324 thousand of euro and net financial debt for 42,743 thousand of euro) substantially aligned with that of December 31, 2008 (-20,293 thousand of euro). In fact, the cash-out for the payment of 2008 dividends (-17,678 thousand of euro) and for investments in both tangible and intangible fixed assets (-8,259 thousand of euro) were offset by cash-in resulting from the sale of Putnam Plastics and of Opto Materials S.r.l. (totaling 19,380 thousand of euro) and by the cash flow generated from operating activities.



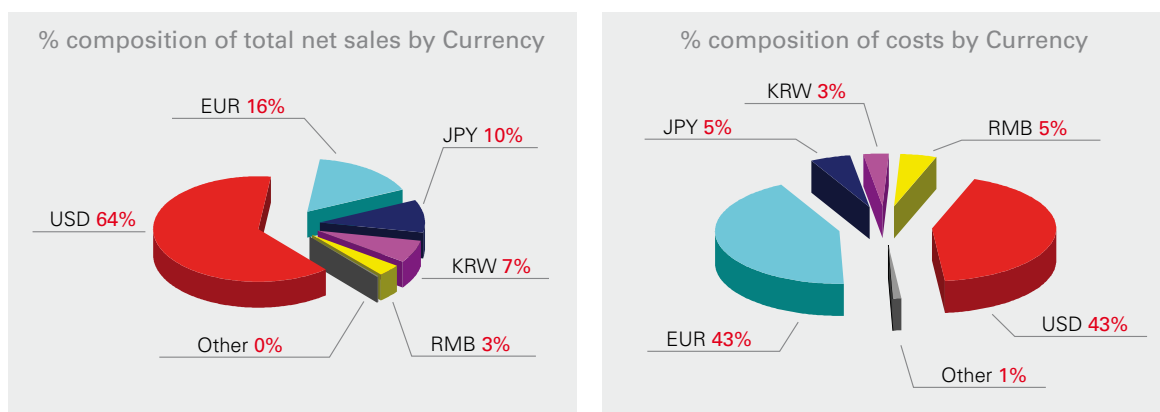
The financial resources generated by operating activities in 2009 were positive and equal to 5,557 thousand of euro, equal to 4.3% of turnover, against 33,766 thousand of euro in 2008, equal to 21.5% of turnover. The decrease is mainly due to the contraction in sales and to non-recurring cash-out carried out during 2009 in relation to the Group's restructuring plan implementation.

In 2009 investments in property, plant and equipment amounted to 7,241 thousand of euro (11,050 thousand of euro in 2008) and were primarily related to the fitting out of new production lines in the Industrial Applications and Share Memory Alloys businesses, to the completion of the new industrial building of Avezzano facilities and to the acquisition by the Parent Company of lab equipment and machinery for the pilot lines in the advanced materials sector.

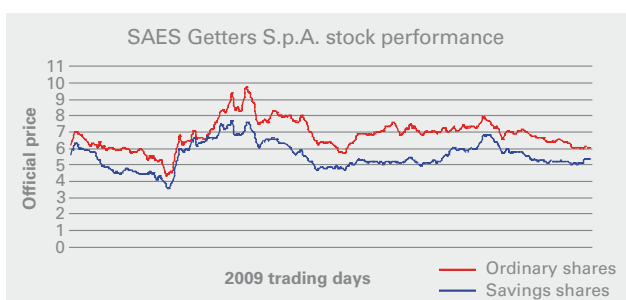
The investments in intangible assets amounted to 1,018 thousand of euro (2,870 thousand of euro in 2008) and were mainly related to the completion and to the implementation of the new integrated information Group technology system.

Please note that in January 2009, the bridge loan subscribed by the American company Memry Corporation has been transformed into a medium long-term loan with a defined repayment schedule and it was partially reimbursed after the sale of the polymer division of Memry Corporation (for an amount of \$19.5 million). At December 31 2009, following the overrun of the covenants, this liability was reclassified as a short term one, but during 2010 the values of these covenants have been renegotiated to avoid the recall of the debt. The contractual formalization of the new warranty clauses is currently under definition and it is expected to be closed in a reasonably short time. In addition, please note that the Group owns available cash and cash equivalents and enough credit lines to be able to meet a possible request for repayment.

The composition of net sales and costs (cost of sales and operating expenses) by currency is given below:



The official price trends for ordinary and savings shares during 2009 are given below:



Ordinary and savings shares listed on START segment of Mercato Telematico Azionario della Borsa Italiana decreased in 2009 their values by 3% and 4%, compared with 17% and 28% increases, recorded respectively on the FTSE MIB and FTSE Italia Star² indices.

² Following the merger of Borsa Italiana with the London Stock Exchange, starting from June 2009 the FTSE MIB index has replaced the S&P MIB index; whereas the FTSE Italia Star index has replaced the All Stars index.

The following table shows the main ratios:

Ratios		2009	2009 adjusted(*)	2008	2007
Operating income (loss)/Total net sales	%	-9.0	5.8	19.7	29.5
Income (loss) before taxes/Total net sales	%	-15.8	3.7	19.7	34.2
Net income (loss) from continuing operations/Total net sales	%	-18.0	-0.4	13.1	20.8
Net income (loss) from continuing operations/Average shareholders' equity (ROAE)	%	-20.8	-0.4	16.5	26.6
Research expenses/Total net sales	%	12.1	10.7	11.3	10.6
Depreciation (tangible assets)/Total net sales	%	8.6	8.0	6.0	6.2
Cash flow from operating activities/Total net sales	%	4.3	4.3	21.6	26.3
Taxes/Income (loss) before taxes	%	-13.9	n.s.	33.3	39.3
Total net sales/Average number of personnel [^]	keuro	120	120	150	187
Accumulated depreciation/Tangible assets	%	67.7	67.7	61.3	63.1

(*) the data has been calculated considering 2009 adjusted figures. Net of non recurring costs and other costs considered by the management as not meaningful with reference to the current operating performance

[^] the data has been calculated without considering the employees of polymer division of Memry Corporation, SAES Opto S.r.l. and Opto Materials S.r.l.

Performance of subsidiaries

SAES ADVANCED TECHNOLOGIES S.p.A., Avezzano, AQ (Italy)

During the year, the company reported net sales of 41,060 thousand of euro, down from 65,624 thousand of euro in the previous year. The decline in net sales was primarily due to the drop in the sales of mercury dispensers for LCDs, partially offset by the increased sales of getters for solar panels. The sales of the lamp business, which is more exposed to economic cycles, were also down. The company ended the year with net income of 8,316 thousand of euro, compared to 19,397 thousand of euro in 2008. The decrease in the bottom line is primarily due to the reduction in sales, partly offset by the decrease in fixed costs arising from the containment action launched in late 2008.

The use of the redundancy fund resulted in a benefit of 728 thousand of euro on personnel costs.

SAES GETTERS USA, INC., Colorado Springs, CO (USA)

The company reported consolidated net sales of USD 38,635 thousand in 2009 (27,700 thousand of euro at the average exchange rate for 2009) compared to USD 45,382 thousand (30,856 thousand of euro at the average exchange rate for the previous year) and a consolidated net income of USD 3,794 thousand (2,720 thousand of euro) compared to a consolidated net income of USD 5,242 thousand (3,564 thousand of euro) in 2008.

Further comments are provided below.

The U.S. parent company, *SAES Getters USA, Inc.* (which operates primarily in the Industrial Applications Business Unit), reported sales of USD 11,797 thousand compared to USD 10,679 thousand in the previous year.

The increase in net sales is primarily due to greater sales of porous getters and getters for both civilian and military applications in the Electronic Devices business. The company ended the year with net income of USD 3,794 thousand compared to a net income of USD 5,242 thousand in 2008.

The decrease in net income despite the increase in sales and the containment of operating expenses was due to the lesser income on the measurement of the equity investments in the subsidiaries *SAES Pure Gas, Inc.* and *Spectra-Mat, Inc.*, which achieved lower results in 2009 than in the previous year. Operating income was USD 6,012 thousand, up from USD 4,550 thousand in the previous year (51% of net sales compared to 42.6%).

The subsidiary *SAES Pure Gas, Inc.*, based in San Luis Obispo, CA (USA) (Semiconductors Business), reported sales of USD 20,322 thousand (compared to USD 29,137 thousand in the previous year) and a net income of USD 495 thousand, down on the 2008 net income (USD 3,192 thousand), primarily due to the decrease in sales (the semiconductors business is among those most severely affected by the international recession).

The subsidiary *Spectra-Mat, Inc.*, based in Watsonville, CA (USA), acquired on February 22, 2008 and operating in the Electronic Devices business, reported sales of USD 6,517 thousand in 2009 (USD 5,567 thousand from February 22 to December 31, 2008) and a net loss of USD 797 thousand (compared to a net loss of USD 457 thousand from the date of acquisition to December 31, 2008).

The result for the first half of 2009 was affected by USD 190 thousand in one-off costs related to personnel.

SAES GETTERS JAPAN CO., LTD., Tokyo (Japan)

The company reported sales of JPY 1,721 million in 2009 (13,202 thousand of euro at the average exchange rate for 2009), down from JPY 5,399 million (35,416 thousand of euro) in 2008 and a net loss of JPY 184 million (1,413 thousand of euro), compared to a net income of JPY 230 million (1,507 thousand of euro) in 2008. The decrease in net sales and net income was due to the decline in sales of mercury dispensers for LCDs; the income statement for the year was also burdened with severance costs (approximately 1.4 million euro, or approximately JPY 186 million) as a result of the decision to liquidate the company (which discontinued operations on December 31, 2009).

The Group continues to serve the market through the incorporation on August 28, 2009 by the Parent Company, SAES Getters S.p.A., of a Japanese branch intended to provide technical support to Group companies that sell products in Japan. For further details, please refer to the Separate Financial Statements of the Parent Company, SAES Getters S.p.A.

SAES GETTERS SINGAPORE PTE, LTD., Singapore (Singapore)

The company reported net sales of USD 138 thousand in 2009 (99 thousand of euro) and a net loss of USD 604 thousand (433 thousand of euro), compared to net sales of USD 1,260 thousand (856 thousand of euro) and a net loss of USD 26 thousand (17 thousand of euro) in 2008. It should be noted that the company discontinued its operating activity in the first half of 2009 and began the liquidation process, which should be concluded in the first half of 2010. The income statement for the year was burdened by expenses associated with liquidation (in particular, severance costs) of USD 581 thousand.

SAES GETTERS (NANJING) CO., LTD., Nanjing (P.R. of China)

The company, which engages in manufacturing activity, primarily in the CRT business, and the resale in Chinese territory of products manufactured by other Group companies, closed 2009 with net sales of RMB 48,357 thousand (5,075 thousand of euro), down on the previous year (RMB 86,550 thousand or 8,466 thousand of euro) owing to the decline in the traditional cathode ray tube getter market.

The company closed the period with a net loss of RMB 22,589 thousand (2,371 thousand of euro), penalized by non-recurring expenses of RMB 20,460 thousand (2,147 thousand of euro)³. In 2008, the company had reported a net income of RMB 12,880 thousand (1,260 thousand of euro).

MEMRY GmbH, Weil am Rhein (Germany) (formerly Dr.-Ing. Mertmann Memory-Metalle GmbH)

The company, which manufactures and markets semi-finished products and shape memory alloy components for medical and industrial applications, reported sales of 1,350 thousand of euro in 2009, compared to sales of 1,298 thousand of euro in the previous year, and a net income of 14 thousand of euro, compared to a net loss of 199 thousand of euro in 2008. In September 2009, the German associate's facility was damaged by a fire that resulted in the suspension of manufacturing operations for several months. The Company received an insurance indemnity of 465 thousand of euro for the damages sustained.

It should be noted that on December 15, 2008, SAES Getters S.p.A., which currently owns 60% of the German firm, entered into an agreement to acquire the remainder of the company's capital stock in two installments by June 30, 2014.

³ 168 thousand of euro – costs for the personnel reduction and 1,979 thousand of euro – write-off of production assets directly allocated to the CRT Business after impairment test (see Note no. 14).



SAES OPTO S.r.l., Lainate, MI (Italy)

On December 18, 2009, SAES Opto S.r.l. sold Scientific Materials Europe S.r.l. its investment in Opto Materials S.r.l. (formerly known as SAES Opto Materials S.r.l.) for consideration of 880 thousand of euro.

Both companies' revenues and direct costs have been reclassified to the line item "Net income (loss) from assets held for sale and discontinued operations" (-3,294 thousand of euro) and include a write-down of 2,175 thousand of euro required to bring the carrying amount of the net assets sold into line with their fair value (represented by the sale price).

As a result of the Group's decision to exit the optoelectronics business, viewed as non-strategic, SAES Opto S.r.l. will be liquidated in 2010.

SAES GETTERS EXPORT CORP., Wilmington, DE (USA)

The company, which is owned directly by SAES Getters S.p.A., was incorporated on March 31, 2008 and began to operate in the second half of 2008 with the object of managing the Group's U.S. exports.

In 2009 it reported a net income of USD 3,369 thousand (2,415 thousand of euro), down on the previous year (USD 3,843 thousand or 2,613 thousand of euro), primarily owing to the lesser commission income collected from the associate SAES Pure Gas, Inc., whose exports decreased in 2009 due to the negative impact of the global economic crisis.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A., Luxembourg (Luxembourg)

The company's main objects are the management and acquisition of investments, optimal cash management, the issue of intra-group loans and the coordination of Group services. In 2009, the company reported a net loss of 2,147 thousand of euro, compared to a net income of 10,305 thousand of euro in 2008. The significant decrease in the net income was due both to the lesser dividends collected from subsidiaries and the recognition of the estimated expenses of contractual commitments made to minority-interest shareholders upon the incorporation of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., which have become onerous due to changed market conditions (for further details, refer to Note No. 28).

Comments on the performances of the subsidiaries of SAES Getters International Luxembourg S.A. are provided below.

SAES Getters Korea Corporation, Seoul (South Korea), 62.52% owned by SAES Getters International Luxembourg S.A. (the remainder of capital stock is held directly by the Parent Company, SAES Getters S.p.A.), operates primarily in the manufacture of components for liquid-crystal displays (the Liquid Crystal Displays Business) and the marketing of the Group's other products.

During 2009, the company reported net sales of KRW 21,272 million (11,999 thousand of euro), down sharply from KRW 31,081 million (19,352 thousand of euro) due to the effect of the above-mentioned structural crisis in the LCD segment, which resulted in a decline in both volumes and the prices of the products sold. The period ended with a net income of KRW 1,915 million (1,080 thousand of euro), down from KRW 16,260 million (10,124 thousand of euro) in 2008, due to both the decrease in net sales and the lesser financial income earned on the translation of lesser cash and equivalents into euro. It should be noted that the 2009 result was penalized by greater depreciation arising from the decrease in the estimated useful lives of assets allocated to the Information Displays segment (KRW 1,191 million).



In 2009, the subsidiary *SAES Getters America, Inc.*, based in Cleveland, OH (USA), reported net sales of USD 8,054 thousand (5,774 thousand of euro), essentially in line with 2008 (USD 8,453 thousand, or 5,747 thousand of euro). The associate ended the period year with net income of USD 793 thousand (569 thousand of euro), compared with a net income of USD 1,393 thousand (947 thousand of euro) in 2008. As part of the plan to rationalize the SAES Getters Group's structure, SAES Getters America, Inc. will discontinue manufacturing operations in the first half of 2010, after which it will engage solely in commercial activities.

Nanjing SAES Huadong Vacuum Material Co., Ltd., based in Nanjing (P.R. of China), is considered a joint venture (and consequently consolidated on a proportional basis) since SAES Getters International Luxembourg S.A., despite owning 51% of capital stock, does not exercise control as defined by International Accounting Standards.

In 2009, the company, which manufactures and markets components for displays and other industrial applications, reported sales of RMB 27,155 thousand (2,850 thousand of euro) and a net income of RMB 3,056 thousand (320 thousand of euro at the average exchange rate for 2009), compared to net sales of RMB 82,057 thousand (8,026 thousand of euro) and a net income of RMB 29,582 thousand (2,894 thousand of euro) in 2008.

In 2009, *SAES Smart Materials, Inc.*, based in New York, NY (USA), reported sales of USD 9,583 thousand (6,871 thousand of euro) and a net loss of USD 5,257 thousand (3,769 thousand of euro), compared to sales of USD 9,921 thousand (6,745 thousand of euro) and a net loss of USD 2,650 thousand (1,802 thousand of euro).

The company's results in 2009 were burdened by write-downs of USD 5,437 thousand (3,898 thousand of euro), including goodwill impairment following the acquisition of the SMA division of SMC to account for the fact that the carrying amount was not justified by the cash flows expected by the cash-generating unit in question.

Net of these write-downs, the operating income would have been substantially at break-even. The results for 2008 were burdened by the failure to achieve full margins on the sales of products acquired as SMC's inventory, inasmuch as said inventory was not measured at market prices upon acquisition.

Memry Corporation, based in Bethel, CT (USA) (acquired on September 29, 2008 and thus consolidated only from said date in the previous year), is a technological leader in the segment of next-generation medical devices with high engineering value made from Nitinol shape memory alloys. In 2009, the company reported sales of USD 39,617 thousand (28,403 thousand of euro) and a net loss of USD 1,272 thousand (-912 thousand of euro).

This result includes the 2009 net income through the date of sale of Putnam Plastics (USD 240 thousand), the polymers division, the sale of which was closed on February 9, 2009 (classified to the item "Net income (loss) from discontinued operations").

The 2009 income statement was burdened by non-recurring costs relating to personnel (USD 666 thousand) and greater amortization and depreciation (USD 3,115 thousand) owing to the measurement at fair value of assets and liabilities in accordance with the provisions of IFRS 3.

Net of these expenses and the associated tax effect, the company would have closed the year with a net income of USD 1,119 thousand.

SAES Getters (Deutschland) GmbH and SAES Getters (GB), Ltd., both of which are subsidiaries of SAES Getters S.p.A. and act as agents for the distribution of the



Group's products, discontinued operating activity in the second half of 2009 and will be liquidated in 2010.

Furthermore, the liquidation of *SAES Getters Technical Service (Shanghai) Co., Ltd.*, controlled by SAES Getters International Luxembourg S.A., was completed on May 21, 2009.

Research, development and innovation activities

Research and innovation activity was intense in 2009, as shown by the amount of the related expenditure, which came to 13,805⁴ thousand of euro, or 10.7% of consolidated net sales. The expenditure remained essentially unchanged as a percentage of net sales, bearing witness to the importance of research to the SAES Getters Group.

During 2009, research and development activity focused primarily on large diversification projects in the area of new getters for OLED displays and the field of shape-memory materials.

In the OLED field, activity concentrated on the development of the third generation of products, the "AqvaDry[®]" a transparent organic getters made which alongside the DryFlex[®] and DryPaste[®] families, testify the Group's impressive development efforts in this sector. OLED technology is highly important to SAES Getters because in the coming years it will take up a position alongside LCD technology on the display market and will also be used in lamps for domestic lighting. The different applications, and the different development approach taken by each manufacturer, require the development of tailor made getter solutions, which explain the proliferation of many product families. Unlike mercury dispensers for the backlighting of LCDs, Getters for OLEDs are display components, not subsystem components. This has led SAES Getters to establish direct contacts with large display manufacturers, specifically with several important Korean and European manufacturers. At present, getters are viewed as necessary and are responsible for absorbing the water that penetrates even displays that use advanced encapsulation techniques. To date, SAES Getters is the only company to have introduced a transparent organic getter that is compatible with the structure of an OLED display from a chemical standpoint. Its getter has triggered great interest at manufacturers' development centers.

Activity in the SMAs field was particularly intense in both the market of alloys for medical applications and the market of components for industrial applications. In particular, industrial development activity in 2009 focused on working with external entities and end users to develop brand-new devices integrating SMA technology in the form of wires. This result was achieved thanks to the creation of a group of mechatronic engineers at the central laboratories in Lainate. In 2009, this development work already resulted in several qualification processes for actual certification of the manufacturing process for SMA wires for automotive and consumer electronics applications in accordance with ISO TS quality standards. These processes were brought to a positive conclusion. Other qualification processes are scheduled for early 2010. This is the result of the significant business innovation and development effort devoted to industrial applications for shape-memory alloys. Qualification as a supplier is obviously the first, essential stage

⁴ This amount has been calculated by deducting from the total R&D expenses (15,642 thousand of euro) non recurring costs equal to 1,837 thousand of euro.

to initiating a supply relationship. Basic research on new SMA alloys with high transition temperatures and low impurity content also continued. Currently there are important collaborative arrangements under definition with leading European universities in order to speed up this development, which is highly important to both fields of application.

In order to achieve this goal, in recent years SAES Getters has had to establish a new expertise, namely the inorganic chemistry.

It aims to use this new building block to develop products for new areas of application such as organic electronics and the technologically related field of next-generation thin-film solar cells.

Activity in the area of lamps for home and industrial use was also highly intense. The home sector is currently witnessing a technological revolution that in the next few years will lead to the replacement of traditional filament lamps, with the mini-HID (High Intensity Discharge) and CFL (Compact Fluorescent Lamp) devices. In 2009, drawing on its historical collaboration with Osram and Philips, the Company embarked upon the study of new products for these new lamps. New families of TQS[®] with low mercury content were placed on the market, allowing SAES to further consolidate the leading position on this market that it has occupied for fifteen years.

The Group continued to develop getters for lithium batteries and super-condensers, which will be used in hybrid cars in coming years. The Group's efforts in the renewable energy sector also included an important process of providing samples of B-Dry[®] (a hermetic sealant for photovoltaic modules) to the market. The first market development for this product is expected to occur over the next few months. Interesting developments are also underway in the vacuum systems sector and will lead SAES to expand its product catalogue to include new and more sophisticated pumps.

The Group also achieved an important success in the purification field in 2009 with the development of CollecTorr^s and the expansion of the field of application of our products to factories that manufacture LEDs.

Group's principal risks and uncertainty

In accordance with the requirements of Legislative Decree no. 32/2007, the following is a brief account of the primary risks and uncertainties to which the Company is exposed and the primary mitigating actions implemented in order to deal with said risks and uncertainties.

Risks associated with the market context

Sensitivity to the market context

Some of the SAES Getters Group's target markets are more sensitive to the performance of macroeconomic indicators (GDP trends, consumer confidence levels, availability of liquidity, etc.) than others.

In particular, the gradual deterioration of the general state of the economy resulting from the economic crisis during the last year had important repercussions for the consumer electronics, industrial lamps and semiconductor businesses.

Many customers in these markets reacted to the crisis in 2009, in some cases by simply reducing their demand for our products, and in other cases, such as the LCD industry, by also favoring the concurrent penetration of lower-quality, lower-price competitors' products.



The effect on the SAES Getters Group was a decline in demand, with consequences for the saturation of production capacity, and therefore for margins.

The SAES Getters Group responded by seeking to diversify and evolve into markets less dependent on the economic cycle, in particular the medical industry, and at the same time by rebalancing and rationalizing its production structure and fixed costs to adapt itself to the new scenarios.

Competition

The Group is active in the upstream segment of both the value chains and the production processes in the industrial sectors in which it operates and thus it does not sell to end consumers (BtoB, i.e. Business-to-Business).

This decreases the SAES Getters Group's capacity to anticipate and steer the evolution of the end demand for its products, which depends more on the success and ability of its customers.

Aggressive competitors have emerged in recent years, and these competitors target those customers and industries that are most price-sensitive and most mature, with the consequent risks of decreased margins.

The SAES Getters Group has adopted various response strategies for dealing with this risk. In particular, it has sought to increase customers' fidelity by developing new solutions and services, offering new products of higher quality at overall lower costs and attempted to maximize the leverage provided to an expert global commercial structure.

Lastly, as mentioned above, the Group aims to diversify its target markets in order to reduce its dependency on markets characterized by a rising level of competition.

In parallel, the Group has continued with market researches aimed at anticipating the evolution of the demand through collaboration with leading specialized centers of study.

Technological obsolescence of products

A typical risk of companies that operate in the consumer electronics industry is the accelerated technological obsolescence of applications and technologies on the market. It may also happen that the replacement of one technology by another is also driven by changes in the law in target countries.

For the SAES Getters Group, this risk is currently most pressing in the sector of lamps used in the backlighting of LCDs.

The recent introduction by manufacturers of displays back lighted with LED technology (which does not employ SAES technology), to the detriment of CCFL technology (which employs SAES technology), is resulting in a decline in the number of CCFLs manufactured and, accordingly, a contraction in an important target market for the SAES Group.

The switch to LED lamps is occurring rapidly and the process is not expected to slow down or be reversed in coming years.

The risk in question is mitigated through constant market analyses and the screening of emerging technologies both to identify new development opportunities and to seek to avoid being caught unprepared by the emergence of technological obsolescence.

In addition, as mentioned above, the Group seeks to reduce its dependence on a single industry/application by diversifying its markets.

Operational risks

Uncertainty concerning the success of research and development projects

The SAES Getters Group, both of its own initiative or in cooperation with its customers and partners, works toward the development of innovative products and solutions, which are often on the cutting edge and intended to generate returns in the long term. The risk of failure does not depend solely on our ability to provide the products requested in terms of form, schedule and cost. SAES Getters has neither the control over its customers' ability to succeed in implementing the content of their business plans nor over the timing for the new technologies to take root in the market.

Examples include, but are not limited to, the emergence of competitive technologies that do not require the use of the Group's products and know-how or the extension of development timeframe that it would be no longer profitable to continue the project or that the time-to-market is delayed, with a negative effect on the return on investment.

This risk is mitigated through periodic, structured revisions of the project portfolio using the Stage-Gate® method.

Where and when possible, the Group seeks access to public funding, obviously where intended to achieve goals that are perfectly consistent with the development project in question. The Group makes increasingly frequent use of "open" forms of cooperation with external centers of excellence in order to reduce development timeframe.

Protection of intellectual property

The SAES Getters Group has always sought to develop original knowledge and, where possible, to protect this knowledge using patents. It should be noted that the Group is meeting with increasing difficulty in defending its patents, owing in part to the uncertainty relating to the legal systems in the countries in which the Group operates.

The risks in question are the loss of market shares and margins to fake products, in addition to incurring enormous expenses for lawsuits.

The Group reacts to these risks by seeking to increase the quality and completeness of its patents, as well as by reducing the number of its patents published.

Geographical risks

The rationalization of the Group's manufacturing and marketing structures is leading, with some exceptions with respect to the products of the Industrial Applications Business Unit, to increasing polarization, with Italy, and the Avezzano facility in particular, emerging as the sole manufacturing center for alloys and many products for displays and lamps, and the U.S.A., at sub-specialized facilities, as the base of production addressed to the semiconductor and medical industries. The primary risks are associated with the greater distance from some customers, with possible consequences for the service level, in addition to the increase in transportation and insurance costs.

The Group has reacted by seeking to maintain the service level and coverage of customers, also through better inventory management, with the aim of enhancing efficiency in dispatching orders.

Risks associated with dealings with suppliers

This risk refers to the possibility that limited sources of energy and other key resources and/or difficulty in accessing such resources could jeopardize the ability to manufacture quality products at competitive prices and in a timely manner. It is believed that the Group's exposure to the risk in question is limited.

The risk associated with the procurement of the major raw materials used by the Group is considered reduced, even in periods of growing demand.

Nevertheless, the Group always seeks to diversify its sources and, when possible, to enter into agreements with prices fixed over the medium-/long-term, in order to mitigate the volatility of purchase prices.

Financial risks

The SAES Group is also exposed to some risks of a financial nature, and in particular:

- *Interest-rate risk*, associated with the volatility of interest rates, which may influence the cost of the use of debt financing or the return on temporary investments of cash at hand;
- *Exchange-rate risk*, associated with the volatility of exchange rates, which may influence the related value of the Group's costs and revenue with respect to the currencies in which its accounting records are kept, and may thus have an impact on the Group's net income or loss; the value of exchange rates also depends on the amount of financial receivables/payables denominated in currencies other than the euro, with the ensuing effect on net financial position as well;
- *The risk of changes in prices of raw materials*, which may affect the Group's product margins if it is charge these changes to the price agreed upon with customers;
- *Credit risk*, associated with the solvency of customers and the ability to collect receivables claimed from them;
- *Liquidity risk*, associated with the Group's ability to procure funds to finance its operating activity.

To manage financial risks, the Board of Directors periodically re-examines and sets risk-management policies, as described in detail in Note no. 35, to which the reader may also refer for the associated sensitivity analysis.

Subsequent events

On February 12, 2010 the company ETC S.r.l. has been established (85% controlled by SAES Getters S.p.A.), a spin-off supported by the National Research Council (CNR). This company, with its headquarters in Bologna, has as its purpose the development of functional materials for applications in the Organic Electronics and Organic Photonics and also the development of integrated organic photonic devices for niche applications.

Following the sale of Opto Materials S.r.l. (finalized on December 18, 2009) and the decision to exit the non-core business of inorganic optoelectronics, on February 18, 2010 the Board of Directors of SAES Getters S.p.A. approved the liquidation of SAES Opto S.r.l. The completion of the liquidation process is expected to happen by the end of the first half of 2010.

Following the overrun of the covenants on the loan subscribed by the subsidiary Memry Corporation as at December 31, 2009, during 2010 the values of these covenants have been renegotiated; simultaneously, the related spreads have been increased (around +0.65%) and a waiver fee has been agreed in order to avoid the recall of the debt. The contractual formalization of these amendments is currently under definition and it is expected to be closed in a reasonably short time. In addition, please note that the Group owns available cash and cash equivalents and enough credit lines to be able to meet a possible request for repayment.

The Group's economic result will be influenced by the exchange rate trends of the euro against the main foreign currencies. In order to protect the Group's margins against fluctuations in exchange rates, hedging transactions on the US dollar were undertaken after December 31, 2009 for a total amount of \$8.35 million and additional hedging contracts on the Japanese yen were increased to the total amount of JPY280 million (figures at March 15, 2010).

Business outlook

The Industrial Applications Business will consolidate its growth, thanks to the favorable trend in the markets of renewable energy, lighting and microelectromechanics. Semiconductors have shown a recovery in the final part of 2009 that is expected to strengthen in 2010.

The business of shape memory alloys for medical applications is already showing signs of recovery and a further improvement is expected in the second half of 2010. Initial positive signs are showing also in the emerging field of SMAs for industrial applications.

In the Information Displays Business the decrease in sales will continue, due to the structural crisis that hit the market of fluorescent lamps for LCD backlighting; future growth perspectives remain interesting thanks to the development of new technologies.

In 2010 we expect a slightly lower turnover than the one of the fiscal year just ended, as the slowdown in sales of the LCD sector will only partially be offset by the growth of the other businesses.

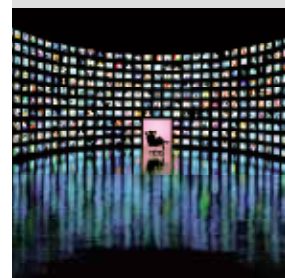
The foreseen adjusted EBITDA will be above 16%. The slight reduction compared to the targets previously announced is due to higher commercial and research costs with respect to what originally forecast for the restructuring plan. Such increase in costs is considered necessary by the management to achieve the growth of Group's revenues in the coming years.

To date we do not foresee any further major restructuring operations.

In the first two months of 2010 **consolidated net turnover** was equal to 19,869 thousand of euro, compared to 23,946 thousand of euro⁵ in the same period of the previous year (-17%). The exchange rate effect was negative and equal to -4%; net of the exchange rate effect, the consolidated turnover would have been equal to, 20,827 thousand of euro. Total net sales show a recovery when compared to the last periods of 2009 in all business segments in which SAES Getters operates, with the exception of the Information Displays Business Unit.

Consolidated turnover of the **Industrial Applications Business Unit** was equal to 11,191 thousand of euro in the first two months of 2010, with an increase if compared to 10,684 thousand of euro of the same period of 2009. Despite the negative exchange rate effect (-5.1% at Business Unit level), all sectors show a growth, with the exception of the semiconductors business, which, however, shows signs of recovery if compared to the last months of 2009.

⁵ Following the sale of the indirect subsidiary Opto Materials S.r.l. (December 18, 2009) and the decision to liquidate the direct subsidiary SAES Opto S.r.l., both operating in the optoelectronic business, the sales reported by these companies during 2009 have been reclassified in a separate income statement item "Income (loss) from assets held for sale and discontinued operations" (50 thousand of euro).



Consolidated turnover of the **Shape Memory Alloys Business Unit** was equal to 4,690 thousand of euro in the first two months of 2010, compared to 8,787 thousand of euro of the corresponding period of 2009. But please remember that SMA consolidated turnover of the first months of 2009 was characterized by above-average results as effect of higher sales volumes to support some important customers in launching new products. The exchange rate effect was negative and equal to -3.7%.

Consolidated turnover of the **Information Displays Business Unit** in the first two months of 2010 was equal to 3,922 thousand of euro, compared to 4,438 thousand of euro of the corresponding period of 2009, affected by a negative exchange rate effect (-2%).

Consolidated turnover of the **Advanced Materials Business Development Unit** in the first two months of 2010 was equal 66 thousand of euro, compared to 37 thousand of euro of the corresponding period of 2009.

Transactions with related parties

The Group reports that its dealings with related parties fall within ordinary operations and are settled at market conditions.

Complete disclosure of related-party transactions during the year is provided in Note no. 37 to the Consolidated financial statements.

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

(pursuant to article 79 of Consob resolution no. 11971 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.	4,600	8,811	-	13,411	Ordinary shares ⁽⁴⁾
		6,008	-	-	6,008	Savings shares
della Porta Giuseppe	SAES Getters S.p.A.	10,000	-	-	10,000	Ordinary shares
		-	-	-	-	Savings shares
della Porta Massimo	SAES Getters S.p.A.	5,000	-	-	5,000	Ordinary shares
		-	-	-	-	Savings shares
della Porta Paolo ^(**)	SAES Getters S.p.A.	24,048	100,000 ^(#)	-	124,048	Ordinary shares
		12,008	-	-	12,008	Savings shares ⁽¹⁾
Dogliotti Andrea	SAES Getters S.p.A.	96,641	2,500	-	99,141	Ordinary shares ⁽³⁾
		-	-	-	-	Savings shares
Gilardoni Andrea	SAES Getters S.p.A.	12,400	3,355	7,000	8,755	Ordinary shares
		10,000	8,200	8,000	10,200	Savings shares
Rolando Giuseppe ^(**)	SAES Getters S.p.A.	25,400	-	-	25,400	Ordinary shares ⁽²⁾
		9,676	-	-	9,676	Savings shares ⁽¹⁾
Di Bartolomeo Nicola	SAES Getters S.p.A.	500	-	-	500	Ordinary shares
		-	-	-	-	Savings shares

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

(**) Paolo della Porta and Giuseppe Rolando left the charge of Directors as at April 21, 2009; "end of current year" means December 31, 2009.

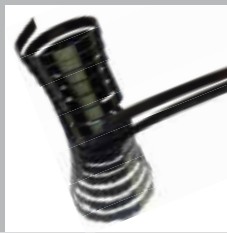
(#) Freely assigned as career bonus as at April 28, 2009.

(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

(4) of which no. 790 registered to a spouse who is not legally separated (no. 500 bought during the year 2009)



saes
getters

**Consolidated Financial
Statements 2009**

Consolidated income statement

(thousands of euro)

	Notes	2009	2008 restated
Total net sales	4	128,805	156,685
Cost of sales	5	(77,150)	(66,765)
Gross profit		51,655	89,920
Research & development expenses	6	(15,642)	(17,657)
Selling expenses	6	(16,579)	(13,921)
General & administrative expenses	6	(32,035)	(27,980)
Total operating expenses		(64,256)	(59,558)
Other income (expenses), net	7	955	429
Operating income (loss)		(11,646)	30,791
Interest and other financial income	8	478	1,917
Interest and other financial expenses	8	(7,979)	(2,390)
Foreign exchange gains (losses), net	9	(1,217)	485
Income (loss) before taxes		(20,364)	30,803
Income taxes	10	(2,838)	(10,271)
Net income (loss) from continuing operations		(23,202)	20,532
Net income (loss) from assets held for sale and discontinued operations	11	(3,095)	(1,172)
Net income (loss) for the period		(26,297)	19,360
Minority interests in consolidated subsidiaries		0	0
Group net income (loss) for the period		(26,297)	19,360
Net income (loss) per ordinary shares	12	(1.1996)	0.8819
Net income (loss) per savings shares	12	(1.1836)	0.8819

Consolidated statement of comprehensive income

(thousands of euro)

	Notes	2009	2008 restated
Net income (loss) for the period		(26,297)	19,360
Exchange differences on translation of foreign operations	24	(426)	1,470
Other comprehensive income (loss) for the period		(426)	1,470
Total comprehensive income (loss) for the period		(26,723)	20,830
attributable to:			
- Equity holders of the Parent		(26,723)	20,830
- Minority interests		0	0

Consolidated statement of financial position

(thousands of euro)

	Notes	December 31, 2009	December 31, 2008 restated
ASSETS			
Non-current assets			
Property, plant and equipment, net	14	65,932	76,910
Intangible assets, net	15	44,038	54,412
Deferred tax assets	16	5,227	5,082
Tax consolidation receivables from Controlling Company	19	1,306	1,160
Other receivables and long term assets		370	495
Total non current assets		116,873	138,059
Current assets			
Inventory	17	20,387	26,759
Trade receivables	18	18,825	19,698
Prepaid expenses, accrued income and other	20	6,033	7,439
Derivative financial instruments evaluated at fair value	21	11	0
Cash and cash equivalents	22	22,324	37,318
Assets held for sale	23	685	17,638
Total current assets		68,265	108,852
Total assets		185,138	246,911
EQUITY AND LIABILITIES			
Capital stock		12,220	12,220
Share issue premium		41,120	39,659
Treasury shares		(10,177)	(11,638)
Legal reserve		2,444	2,444
Other reserves and retained earnings		85,595	85,972
Other components of equity		(6,054)	(5,661)
Net income (loss)		(26,297)	19,360
Group shareholders' equity	24	98,851	142,356
Other reserves and retained earnings of third parties		0	0
Net income (loss) of third parties		0	0
Minority interest in consolidated subsidiaries		0	0
Total equity		98,851	142,356
Non current liabilities			
Financial debt	25	12,713	16,815
Other non current financial debt	26	688	640
Deferred tax liabilities	16	6,452	6,975
Staff leaving indemnities and other employee benefits	27	6,910	8,032
Provisions	28	6,532	1,888
Other payables		4	20
Total non current liabilities		33,299	34,370
Current liabilities			
Trade payables	29	9,774	10,952
Tax consolidation payables to Controlling Company	19	0	141
Other payables	30	9,990	13,284
Accrued income taxes	31	1,044	1,636
Provisions	28	2,289	2,844
Derivative financial instruments evaluated at fair value	21	394	1,433
Current portion of long term debt	25	24,730	2,795
Other current financial debt	26	196	0
Bank overdraft	32	4,033	35,928
Accrued liabilities	33	538	994
Liabilities held for sale	23	0	178
Total current liabilities		52,988	70,185
Total equity and liabilities		185,138	246,911

Consolidated cash flow statement

(thousands of euro)

	2009	2008 restated
Cash flow from operating activities		
Net income (loss) from continuing operations	(23,202)	20,532
Net income (loss) from assets held for sale and discontinued operations	(3,095)	(1,172)
Current income taxes	3,320	11,340
Changes in deferred income taxes	(483)	(1,205)
Depreciation	11,507	9,769
Write down (revaluation) of property, plant & equipment	5,054	26
Amortization	3,575	1,347
Write down (revaluation) of intangible assets	6,426	532
Net loss (gain) on disposal of property, plant & equipment	(68)	(319)
Interest and other financial income (expenses), net	1,439	476
Accrual for termination indemnities and similar obligations	1,807	563
Changes in provisions	3,998	227
Career bonus expenses	1,446	0
Cash expenses career bonus	(583)	0
	11,141	42,116
Working capital adjustments		
<i>Cash increase (decrease) in:</i>		
Account receivables and other receivables	3,063	9,240
Inventory	5,437	963
Trade account payables	(1,624)	(793)
Other payables	(4,565)	(1,849)
	2,311	7,561
Payment of termination indemnities and similar obligations	(2,754)	(1,921)
Interests and other financial payments	(681)	(701)
Interests and other financial receipts	337	1,830
Taxes paid	(4,798)	(15,119)
Net cash flows from operating activities	5,557	33,766
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,241)	(11,050)
Proceeds from sale of property, plant and equipment	101	633
Purchase of intangible assets	(1,018)	(2,870)
Proceeds from sale of shareholding in subsidiaries and divisions, net of cash disposed of	19,380	0
Price paid for acquisition of shareholding in subsidiaries or divisions, net of cash acquired	0	(76,751)
Price paid for minority interests	0	(10)
Decrease (increase) in assets and liabilities held for sale	181	(138)
Net cash flows from investing activities	11,403	(90,186)
Cash flows from financing activities		
Proceeds from long term financial liabilities, included current portion	0	17,344
Proceeds from short term financial liabilities	4,000	35,744
Dividends payment	(17,678)	(21,950)
Purchase of treasury shares	0	(3,335)
Repayment of financial liabilities	(16,680)	(1,008)
Interest paid on financial liabilities	(1,082)	(1,104)
Net cash flows from financing activities	(31,440)	25,691
Net foreign exchange differences	(547)	(2,618)
Net (decrease) increase in cash and cash equivalents	(15,027)	(33,347)
Cash and cash equivalents at the beginning of the period	37,318	70,665
Cash and cash equivalents at the end of the period	22,291	37,318

Consolidated statement of changes in equity as at December 31, 2009

(thousands of euro)

	Capital stock	Share issue premium	Treasury shares	Legal reserve	Sundry reserves and retained earnings		Net income (loss)	Group shareholders' equity	Minority interests	Total equity
					Currency conversion reserve	Other reserves and retained earnings				
Balance as at December 31, 2008	12,220	39,659	(11,638)	2,444	(5,661)	85,972	19,360	142,356	0	142,356
Appropriation of 2008 income						19,360	(19,360)	0		0
Dividends paid						(17,678)		(17,678)		(17,678)
Stock grant		1,461	1,461			(2,059)		863		863
Reversal of currency conversion reserve					33			33		33
Changes in minority interests								0	0	0
Net income (loss)							(26,297)	(26,297)		(26,297)
Other comprehensive income (loss)					(426)			(426)		(426)
Total comprehensive income (loss)					(426)		(26,297)	(26,723)		(26,723)
Balance as at December 31, 2009	12,220	41,120	(10,177)	2,444	(6,054)	85,595	(26,297)	98,851	0	98,851

Consolidated statement of changes in equity as at December 31, 2008 - restated

(thousands of euro)

	Capital stock	Share issue premium	Treasury shares	Legal reserve	Sundry reserves and retained earnings		Net income (loss)	Group shareholders' equity	Minority interests	Total equity
					Currency conversion reserve	Other reserves and retained earnings				
Balance as at December 31, 2007	12,220	42,994	(8,303)	2,444	(7,131)	82,032	22,555	146,811	(6)	146,805
Appropriation of 2007 income						22,555	(22,555)	0		0
Dividends paid						(21,950)		(21,950)		(21,950)
Purchase of treasury shares		(3,335)	(3,335)			3,335		(3,335)		(3,335)
Changes in minority interests								0	6	6
Net income (loss)							19,360	19,360		19,360
Other comprehensive income (loss)					1,470			1,470		1,470
Total comprehensive income (loss)					1,470		19,360	20,830		20,830
Balance as at December 31, 2008	12,220	39,659	(11,638)	2,444	(5,661)	85,972	19,360	142,356	0	142,356

1. Basis of preparation and accounting policies

Basis of preparation

SAES Getters S.p.A., the Parent Company, and its subsidiaries operate both in Italy and abroad in the development, manufacturing and marketing of getters and other components for displays and other industrial applications, as well as in the gas purification industry. The Group also operates in the field of advanced materials, particularly in the development of shape memory alloys for both medical and industrial applications.

The Parent Company, SAES Getters S.p.A., based in Lainate (Italy), is controlled by S.G.G. Holding S.p.A.¹, which does not exercise management and coordination activity. The Board of Directors approved and authorized the publication of the 2009 Annual Consolidated Financial Statements in a resolution passed on March 15, 2010.

The Consolidated Financial Statements of the SAES Getters Group are presented in euro (rounded to the nearest thousand).

Foreign subsidiaries are included in the Consolidated Financial Statements according to the standards described in Note no. 2, "Main accounting principles".

The Consolidated Financial Statements for the year ended December 31, 2009 have been prepared in accordance with the IFRSs issued by the International Accounting Standards Board ("IASB") and approved by the European Union ("IFRSs"), Consob resolutions no. 15519 and no. 15520 of July 27, 2006, Consob communication no. DEM/6064293 of July 28, 2006 and article 149-*duodecies* of the Issuers Regulations. The abbreviation "IFRSs" includes all revised international accounting standards ("IASs") and all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), included those previously issued by the Standing Interpretations Committee ("SIC").

In the interest of comparability, the comparative figures for 2008 have also been presented in application of the requirements of IAS 1 – Presentation of Financial Statements.

Accounting schemes

The presentation adopted is compliant with the provisions of IAS 1 - revised, become effective starting from January 1, 2009.

In particular, this standard introduces the statement of comprehensive income (the Group elected to present two different statements) and a statement of changes in equity that includes only details of transactions with owners, with non owner changes in equity presented as a single line.

Moreover we report that:

- the Consolidated Statement of Financial Position has been prepared by classifying assets and liabilities as current or non-current and by stating "Assets held for sale" and "Liabilities held for sale" in two separate items, as required by IFRS 5;

¹ Based in Milan (Italy) at Via Vittor Pisani 27.

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- the Consolidated Income Statement has been prepared by classifying operating expenses by allocation, inasmuch as this form of disclosure has been deemed best suited to representing by Group's specific business, is compliant with internal reporting procedures, and in line with standard industry practice;
 - the Consolidated Cash Flow Statement has been prepared by stating cash flows provided by operating activities according to the "indirect method" as permitted by IAS 7.

In addition, as required by Consob resolution no. 15519 of July 27, 2006, in the context of the allocation basis for the preparation of the income statement, income and expenses arising from non-recurring transactions or from events that do not recur frequently during the normal conduct of operations have been specifically identified and their effects have been stated separately at the main interim result levels.

Non-recurring events and transactions have been identified primarily on the basis of the nature of the transactions. In particular, non-recurring expenses/income include cases that by their nature do not occur consistently in the course of normal operating activities. In further detail:

- income/expenses arising from the sale of real property;
- income/expenses arising from the sale of business divisions and equity investments included among non-current assets;
- expenses/any income arising from reorganization processes associated with extraordinary corporate actions (mergers, de-mergers, acquisitions and other corporate actions).

On the basis of the aforementioned Consob resolution, the amounts of positions or transactions with related parties, broken down according to the line item in question, are reported in the Notes.

2008 restatement

We report that 2008 balance sheet and income statement figures have been adjusted (affecting the net income and the shareholders' equity of the previous year) in order to reflect the effects deriving from the completion of the initial accounting of the business combination closed in September 2008.

The consolidated net result and the consolidated shareholders' equity as at December 31, 2008 decreased respectively of 972 thousand of euro e of 1,025 thousand of euro. For the details, please refer to Note no. 3 and to the following tables.

We also highlight that following the sale of the indirect subsidiary Opto Materials S.r.l. (ex SAES Opto Materials S.r.l., sold on December 18, 2009) and the decision to liquidate the direct subsidiary SAES Opto S.r.l., both operating in the optoelectronic business, the figures of these companies, both in 2008 and in 2009, have been reclassified in a separate income statement item "Income (loss) from assets held for sale and discontinued operations".

The following table shows the effect of the above mentioned changes on the Consolidated Income Statement as at December 31, 2008:

(thousands of euro)

	2008	Restatement	Reclassifications	2008 restated
Total net sales	157,107	0	(422)	156,685
Cost of sales	(66,974)	(1,346)	1,555	(66,765)
Gross profit	90,133	(1,346)	1,133	89,920
Research & development expenses	(17,657)	0	0	(17,657)
Selling expenses	(14,103)	(120)	302	(13,921)
General & administrative expenses	(28,239)	(76)	335	(27,980)
Total operating expenses	(59,999)	(196)	637	(59,558)
Other income (expenses), net	314	0	115	429
Operating income (loss)	30,448	(1,542)	1,885	30,791
Interest and other financial income	1,917	0	0	1,917
Interest and other financial expenses	(2,394)	0	4	(2,390)
Foreign exchange gains (losses), net	486	0	(1)	485
Income (loss) before taxes	30,457	(1,542)	1,888	30,803
Income taxes	(10,706)	571	(136)	(10,271)
Net income (loss) from continuing operations	19,751	(971)	1,752	20,532
Net income (loss) from discontinued operations	581	(1)	(1,752)	(1,172)
Net income (loss) for the period	20,332	(972)	0	19,360
Minority interests in consolidated subsidiaries	0	0	0	0
Group net income (loss) for the period	20,332	(972)	0	19,360

The following table presents the modifications to the Consolidated Statement of Financial Position as at December 31, 2008:

(thousands of euro)

	2008	Restatement	2008 restated
ASSETS			
Non-current assets			
Property, plant and equipment, net	71,691	5,219	76,910
Intangible assets, net	54,962	(550)	54,412
Deferred tax assets	8,536	(3,454)	5,082
Tax consolidation receivables from Controlling Company	1,160	0	1,160
Other receivables and long term assets	495	0	495
Total non current assets	136,844	1,215	138,059
Current assets			
Inventory	26,759	0	26,759
Trade receivables	19,698	0	19,698
Tax consolidation receivables from Controlling Company	0	0	0
Prepaid expenses, accrued income and other	7,439	0	7,439
Derivative financial instruments evaluated at fair value	0	0	0
Cash and cash equivalents	37,318	0	37,318
Assets held for sale	17,440	198	17,638
Total current assets	108,654	198	108,852
Total assets	245,498	1,413	246,911

(thousands of euro)

	2008	Restatement	2008 restated
EQUITY AND LIABILITIES			
Capital stock	12,220	0	12,220
Share issue premium	39,659	0	39,659
Treasury shares	(11,638)	0	(11,638)
Legal reserve	2,444	0	2,444
Other reserves and retained earnings	85,972	0	85,972
Other components of equity	(5,608)	(53)	(5,661)
Net income (loss)	20,332	(972)	19,360
Group shareholders' equity	143,381	(1,025)	142,356
Other reserves and retained earnings of third parties	0	0	0
Net income (loss) of third parties	0	0	0
Minority interest in consolidated subsidiaries	0	0	0
Total equity	143,381	(1,025)	142,356
Non current liabilities			
Financial debt	16,815	0	16,815
Other non current financial debt	640	0	640
Deferred tax liabilities	4,538	2,437	6,975
Staff leaving indemnities and other employee benefits	8,032	0	8,032
Provisions	1,888	0	1,888
Other payables	20	0	20
Total non current liabilities	31,933	2,437	34,370
Current liabilities			
Trade payables	10,952	0	10,952
Tax consolidation payables to Controlling Company	141	0	141
Other payables	13,284	0	13,284
Accrued income taxes	1,636	0	1,636
Provisions	2,844	0	2,844
Derivative financial instruments evaluated at fair value	1,433	0	1,433
Current portion of long term debt	2,795	0	2,795
Other current financial debt	0	0	0
Bank overdraft	35,928	0	35,928
Accrued liabilities	994	0	994
Liabilities held for sale	177	0	178
Total current liabilities	70,184	0	70,185
Total equity and liabilities	245,498	1,413	246,911

Segment informations

The Group's financial reporting is broken down into the following business segments:

- Information Displays;
- Industrial Applications;
- Shape Memory Alloys.

Seasonality of operations

Based on historical trends, the revenues of different businesses are not characterized by seasonal circumstances.

Scope of consolidation

The following table shows the companies included in the scope of consolidation according to the full consolidation method as of December 31, 2009:

Company	Currency	Capital Stock	% of 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 *** - Köln (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	31,312,813	99.97	0.03*
SAES Opto S.r.l. - Lainate, MI (Italy)	EUR	100,000**	100.00	-
SAES Getters Export Corp. - Wilmington, DE (USA)	USD	2,500	100.00	-
Memry GmbH - Weil am Rhein (Germany)	EUR	330,000	60.00	-
Indirectly-controlled subsidiaries:				
<i>Through SAES Getters USA, Inc.:</i>				
SAES Pure Gas, Inc. - San Luis Obispo, CA (USA)	USD	7,612,661	-	100.00
Spectra-Mat, Inc. - Watsonville, CA (USA)	USD	204,308	-	100.00
<i>Through SAES Getters International Luxembourg S.A.:</i>				
SAES Getters Korea Corporation - Seoul (South Korea)	KRW	10,497,900,000	37.48	62.52
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
Memry Corporation - Bethel, CT (USA)	USD	30,000,000	-	100.00

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

** We report that SAES Getters S.p.A., the only shareholder of SAES Opto S.r.l., has made payments towards a capital increase (4,500,000 thousand of euro); the residual balance of the capital increase account, part of which has been already used to cover company's past losses, is 2,726,869 thousand of euro

*** Subsidiary in liquidation as at December 31, 2009

The following table shows the companies included in the scope of consolidation according to the proportionate consolidation method as of December 31, 2009:

Company	Currency	Capital Stock	% of ownership	
			Direct	Indirect
Nanjing SAES Huadong Vacuum Material Co., Ltd. Nanjing (P.R. of China)	RMB	31,450,000	-	51.00

The Group's share in the assets, liabilities, revenues and costs of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., included in the Consolidated Financial Statements according to the proportionate consolidation method on the basis of the percentage of ownership (51%), is shown below:

(thousands of euro)

Nanjing SAES Huadong Vacuum Material Co., Ltd. (51%)	
Non current assets	633
Current assets	1,832
Total assets	2,465
Net equity	2,080
Non current liabilities	0
Current liabilities	385
Total equity and liabilities	2,465
Net sales	1,454
Cost of sales	(1,042)
Operating expenses	(211)
Other income (expenses), net	2
Financial income (expenses), net	0
Income before taxes	203
Income taxes	(40)
Net income (loss)	163

The changes occurred in consolidation area as of December 31, 2009, compared with December 31, 2008 are as follows:

- On February 9, 2009 it was closed the sale of the activities belonging to Putnam Plastics, the polymer division of the indirectly controlled company Memry Corporation, acquired by SAES Getters Group on September 29, 2008. This disposal is part of the SAES Getters strategy to focus investments and resources on the strategic core business of shape memory alloys (SMA) for medical and industrial applications. The buyers, Foster Corporation, Foster West Corporation and PPC LLC Acquisition Corporation, acquired almost all the assets and liabilities of Putnam Plastics for a price of \$25 million.
Putnam Plastics, based in Dayville, Connecticut, was active in the business of tubes and innovative polymeric delivery systems in the medical devices market; the company was acquired by Memry Corporation in 2004 and produces extruded polymeric multilumen systems and multilayers for wire-guide, catheters and other delivery devices for applications in minimally invasive medical fields. After the sale of the polymer division, Putnam Plastics has been renamed Memry Dayville and then it has been liquidated on September 16, 2009.
- On May 21, 2009 the liquidation process of SAES Getters Technical Service (Shanghai) Co., Ltd. has been completed.
- On August 28, 2009 the Parent Company SAES Getters S.p.A. founded a branch in Japan. This office started operating in the fourth quarter 2009 and provides technical assistance to the other Group companies that sell their products in place of SAES Getters Japan Co., Ltd that will be liquidated.
- On December 18, 2009 the subsidiary Opto Materials S.r.l. (ex SAES Opto Materials S.r.l.) has been sold by SAES Opto S.r.l. to Scientific Materials Europe S.r.l.; the latter is active in the optoelectronic business and it manufacturers, processes and markets synthetic crystal for use in industry and research, as well as laser-source components. The sale occurred after the change of the company business name

from SAES Opto Materials S.r.l. to Opto Materials S.r.l.

On May 6, 2009 the representative office located in Moscow has been closed.

Furthermore, we report that, in the context of rationalization of the Group's structure, the subsidiaries SAES Getters (Deutschland) GmbH and SAES Getters (GB), Ltd. (operating as agents for the distribution of the Group's products) and the subsidiary SAES Getters Singapore PTE, Ltd. (mainly operating in the CRT business) concluded their operating activities during the first nine months of 2009 and started the related liquidation process that should be completed by the first months of the next year.

In the context of the already announced restructuring plan, in SAES Getters America, Inc. the manufacturing activity will be closed by the first semester 2010 and, starting from this date, the subsidiary will perform only commercial activities.

2. Main accounting principles

Consolidation principles

The Consolidated Financial Statements include the financial statements of all the subsidiaries, effective from the date on which control is assumed and until such time as control ceases to exist.

Control exists when the Parent Company, SAES Getters S.p.A. holds, directly or indirectly, the majority of voting rights, or has the power, directly or indirectly, to determine, including through contractual agreements, the financial and operating policies of a company in order to secure the benefits of its operations.

In preparing the Consolidated Financial Statements, the assets, liabilities, costs and revenues of consolidated companies are added up line by line, attributing to minority-interest shareholders their portion of net equity and net income or loss for the period in specific items in the Balance Sheet and Income Statement.

The carrying value of the equity investment in each of the subsidiaries is eliminated to account for the corresponding share of net equity, including any adjustments to fair value on the date of acquisition. Any resulting positive difference is recognized among intangible assets as goodwill, as illustrated below, whereas any negative difference is charged to the income statement.

In preparing the Consolidated Financial Statements, all balance sheet, income statement and cash flow balances between Group companies have been eliminated, as well as unrealized gains and losses on infra-group transactions.

All of the assets and liabilities of foreign companies in currencies other than the euro that fall within the scope of consolidation are converted by using the exchange rates in force as of the balance sheet date (current exchange rate method), whereas the associated revenues and costs are converted at the average exchange rates for the year. Translation differences resulting from the application of this method are classified as a shareholders' equity item until the equity investment is sold. In preparing the Consolidated Cash Flow Statement, the cash flows of consolidated foreign companies expressed in currencies other than the euro are converted by using the average exchange rates for the year.

Goodwill and adjustments to fair value generated during the purchase price allocation of a foreign company are recognized in the applicable currency and are converted using the exchange rate at year-end.

During the first-time adoption of IFRSs, the cumulative translation differences generated by the consolidation of foreign companies operating outside of the euro area were

reduced to zero, as permitted by IFRS 1 (*First-time Adoption of International Financial Reporting Standards*). Consequently, only translation differences accumulated and recognized after January 1, 2004 are considered in determining any capital gains or losses arising from the sale thereof.

Equity investments in joint ventures are included in the Consolidated Financial Statements according to the proportional consolidation method, as allowed by IAS 31 – *Equity Investments in Joint Ventures*.

Business combinations and goodwill

Business combinations are recognized according to the purchase method. According to this method, the identifiable assets (including previously unrecognized intangible assets), liabilities and contingent liabilities (excluding future restructuring) acquired are recognized at their current values (fair values) as of the date of acquisition. The positive difference between the purchase cost and the Group's interest in the fair value of such assets and liabilities is classified as goodwill and recognized among intangible assets. Any negative difference ("badwill") is charged to the Income Statement upon acquisition.

If the purchase cost and/or the value of the assets and liabilities acquired may only be determined on a provisional basis, the Group recognizes the business combination using the provisional values. These values will then be definitively determined within 12 months of the date of acquisition. Any use of this accounting method, if used, will be mentioned in the Notes.

Goodwill is not amortized, but rather tested for impairment on an annual basis, or more frequently if specific events or particular circumstances indicate that impairment may have occurred, according to IAS 36 – *Impairment of Assets*. After initial recognition, goodwill is measured at cost, less any impairment recognized. Goodwill, once impaired, may not be recovered.

For the purposes of congruity analysis, the goodwill acquired in a business combination is allocated at the date of acquisition to the Group's individual cash-generating units or to groups of cash-generating units (CGUs) that have to benefit from the synergies of the combination, regardless of whether other Group's assets and liabilities have been allocated to such units or groups of units. Each CGU or group of CGUs to which goodwill is allocated, represents the lowest Group's level at which goodwill is monitored for internal management purposes.

When goodwill represents a part of a CGU and a part of the assets internal to the unit is sold, the goodwill associated with the assets sold is included in the carrying value of the assets in order to determine the gain or loss on the sale. The goodwill transferred in such circumstances is measured on the basis of the figures for the transferred assets and the portion of the unit retained.

When all or part of a previously acquired company, the acquisition of which had generated goodwill, is disposed of, the residual share of goodwill is considered when calculating the effects of the sale.

The difference between the price of sale and net assets, plus accumulated translation differences, and goodwill is recognized on the income statement. Retained earnings or

losses taken directly to shareholders' equity are transferred to the income statement at the time of the sale.

Where options are granted that do not confer effective access to the economic benefits associated with the ownership of minority interests, the shares or units referred to by the options are recognized as of the date of acquisition of control as "minority interests"; the share of the net income and losses (and other changes in shareholders' equity) of the entity acquired are attributed to minority interests after the business combination is completed. The minority-interest share is eliminated as of each balance sheet date and classified as a financial liability at its fair value (equal to the current value of the strike price of the option), as if the acquisition had occurred on said date. In the absence of a specific applicable standard or interpretation, on the basis of the provisions of IAS 8, the Group has opted to recognize the difference between the financial liability at fair value and the minority-interest share eliminated as of the balance sheet date as goodwill (the Parent Entity Extension Method).

Intangible assets

Development expenses

Internally incurred costs for the development of new products and services constitute, depending on the circumstances, internally produced intangible or tangible assets and are recognized as assets solely where all of the following conditions have been satisfied: the Group has the technical capacity and intention to complete the assets so as to render them available for use or sale, the Group has the capacity to use or sell the assets, there is a market for the products or services resulting from the assets or they are useful for internal purposes, the Group has sufficient technical and financial resources to complete the development and sale or internal use of the resulting products or services, and the costs attributable to the assets during development may be determined reliably.

Capitalized development costs consist solely of effectively incurred expenses that may be directly allocated to the development process.

Capitalized development costs are systematically amortized beginning with the year of production throughout the estimated useful life of the product/service.

Other intangible assets with finite useful life

Other purchased or internally produced intangible assets with finite useful lives are recognized as assets, in accordance with the provisions of IAS 38 – *Intangible Assets*, where it is likely that the use of the assets will generate future economic benefits and the cost of the assets may be determined reliably.

Such assets are recognized at the cost of purchasing or producing them and are amortized on a straight-line basis over their estimated useful lives. Intangible assets with finite useful lives are also tested for impairment annually, or whenever there is an indication that the assets may have become impaired.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets.

Amortization rates are revised annually and are amended if the current estimated useful life differs from the previous estimate. The effects of such changes are recognized prospectively on the income statement.

Intangible assets are amortized according to their estimated useful lives, where 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

Property, plant and equipment

Owned property, plant and equipment are recognized at the cost of purchase or production, or, where such assets were carried as of January 1, 2004, at deemed cost, which, for some assets, is represented by revalued cost. Costs incurred subsequent to purchase are capitalized only if they result in increase in the future economic benefits inherent in the asset to which they refer. All other costs are charged to the income statement when they are incurred. The cost of the assets also includes the projected costs of dismantling the asset and restoring the site, where there is a legal or implicit obligation to do so. The corresponding liability is recognized during the period in which the obligation arises to a provision carried among liabilities in the context of provisions for contingencies and obligations at its current value. The capitalized expense is recognized on the income statement over the useful life of the associated property, plant and equipment through the depreciation process.

Depreciation is calculated at constant rates over the estimated useful life of the assets.

Land, including that annexed to buildings, is not depreciated.

Depreciation rates are revised annually and are amended if the current estimated useful life differs from the previous estimate. The effects of such changes are recognized prospectively on the Income Statement.

The minimum and maximum depreciation rates are listed below:

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

Impairment

Goodwill

Goodwill is tested for impairment at least once a year.

The test is normally conducted to coincide with the Group's budgeting process near the end of each year. Consequently, the date of reference for impairment testing is the balance sheet date.

The goodwill acquired and allocated during the year is tested for impairment before the end of the year in which it was acquired and allocated.

For the purposes of impairment testing, goodwill is allocated, as of the date of acquisition, to each cash-generating unit or group of cash-generating units that benefit from the acquisition, regardless of whether other Group's assets and liabilities have been allocated to such units.

If the carrying value of the cash-generating unit (or group of units) exceeds its recoverable value, an impairment loss is recognized on the income statement.

The impairment loss is charged to the income statement, initially by decreasing the carrying value of the goodwill allocated to the unit (or group of units), and only then is charged to the unit's other assets in proportion to their carrying value, up to a maximum of the recoverable value of assets with finite useful lives.

The recoverable value of a cash-generating unit or group of cash-generating units to which goodwill is allocated is the greater of the fair value, less selling costs, and the value in use of the unit in question.

The value in use of an asset consists of the current value of expected cash flows, calculated by applying a discount rate that reflects current market valuations of the value of money over time and the specific risks of the activity. Future cash flows normally cover a period of three years, except where projections require longer periods, such as in the case of initiatives in the start-up phase. The long-term growth rate used to estimate the terminal value of the unit (or group of units) may not exceed the average long-term growth rate for the industry, country or market in which the unit (or group of units) operates.

The value in use of cash-generating units in foreign currencies is estimated in the local currency discounting such cash flows at a rate appropriate to the currency in question. The current value obtained through this process is translated into euro at the spot exchange rate as of the date of the impairment test (which, in our case, is the balance sheet date).

Future cash flows are estimated by referring to the cash-generating unit's current conditions and consequently do not contemplate either the benefits of future restructuring operations to which the entity is not yet committed or future investments to improve or optimize the unit.

For impairment testing purposes, the carrying value of a cash-generating unit is determined in accordance with the criteria according to which the cash-generating unit's recoverable value is determined, excluding surplus assets (i.e. financial assets, deferred tax assets, and net non-current assets held for sale).

After having conducted an impairment test on the cash-generating unit (or group of units) to which goodwill is allocated, a second level impairment test is conducted that also includes centralized assets with auxiliary functions (corporate assets) that do not generate positive cash flows and may not be allocated to the individual units according to a reasonable, consistent criterion. At this second level, the recoverable value of all units (or groups of units) is compared with the carrying value of all units (or groups of units), including those units to which no goodwill has been allocated and corporate assets.

Where the conditions that had previously required the recognition impairment cease to apply, the original value of the goodwill is not restored, according to IAS 36 - *Impairment of Assets*.

Tangible and intangible assets with finite useful life

During the year, the Group verifies whether there are indications that tangible and intangible assets with finite useful lives may have become impaired. Both internal and external sources of information are considered in this process. These internal sources include: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset and the economic performance of the asset with respect to projections.

The external sources include: the trend in the market prices of assets, any discontinuities of technology, the market, or legislation, the trend in market interest rates and the cost of capital used to assess investments, and, lastly, whether the carrying value of the Group's net assets exceeds its market capitalization.

If there are indications that tangible or intangible assets with finite useful lives have become impaired, the carrying value of the assets is reduced to their recoverable value. The recoverable value of an asset is defined as the greater of its fair value, net of selling costs, and its value in use.

The value in use of an asset consists of the current value of expected cash flows, calcu-

lated by applying a discount rate that reflects current market valuations of the value of money over time and the specific risks of the activity. When it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable value of the asset's cash-generating unit.

Impairment is charged to the income statement.

If the reasons that led to impairment subsequently cease to apply, the carrying value of the asset or cash-generating unit is increased up to the new estimate of the recoverable value, which, however, may not exceed the value that would have resulted if no impairment had been recognized. Reversals are recognized on the income statement.

Receivables

Receivables generated by the company are initially recognized at their nominal value and subsequently measured at their estimated realizable value.

Receivables with maturities beyond one year and receivables that do not bear interest or bear interest at below-market rates are discounted using market rates.

Cash and cash equivalents

Cash and cash equivalents are recognized, according to their nature, at their nominal value.

Cash equivalents consist of highly liquid short-term investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value, the original maturity or maturity upon acquisition of which does not exceed three months.

Financial items

Financial liabilities include financial payables and other financial liabilities, including derivative instruments.

Under IAS 39, they also include trade and sundry payables.

Non-derivative financial liabilities are initially recognized at fair value, less transaction costs, and are subsequently measured at amortized cost, i.e. the amount initially recognized less any repayments of principal, plus or minus the cumulative amortization, calculated using the effective interest method, of any difference between the initial value and the value at maturity.

Financial liabilities hedged by derivative instruments aimed at covering the risk of changes in the value of the liability (fair value hedge derivatives) are measured at their fair value according to the hedge accounting methods set out in IAS 39: gains and losses arising from subsequent adjustments to fair value, limited to the hedged component, are recognized on the income statement and offset by the effective portion of the loss or gain arising from subsequent measurements of the hedging instrument at fair value.

Derivative financial instruments

The derivatives transactions undertaken by the SAES Getters Group are aimed at hedg-

ing its exposure to exchange-rate and interest-rate risk and diversifying debt parameters in order to reduce the cost and volatility of debt within pre-determined management limits.

According to the requirements of IAS 39, hedging instruments are accounted according to the hedge accounting methods only when:

- a) at inception, they are formally designated as a hedge and the hedge relationship is documented;
- b) the hedge is expected to be highly effective;
- c) the effectiveness of the hedge can be reliably measured;
- d) the hedge is highly effective in each accounting period designated.

All derivative instruments are measured at their fair value according to IAS 39.

Where derivatives satisfy the requirements for treatment under hedge accounting rules, the following accounting standards are applied:

- *Fair value hedges* – If a derivative instrument is designated as a hedge of the exposure to the changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss resulting from subsequent changes in the fair value of the hedging instrument is recognized on the income statement. The portion of the gain or loss arising from the fair value adjustment of the hedged item attributable to the hedged risk is recognized as an adjustment to the carrying value of the item in question through the income statement.
- *Cash flow hedges* – If a derivative instrument is designated as a hedge of the exposure to the changes in the cash flows of an asset or liability carried on the balance sheet or of a highly probable planned transaction, the effective portion of the gains or losses arising from the fair-value adjustment of the derivative instrument is recognized in a specific shareholders' equity reserve (cash flow hedge reserve). The cumulative gain or loss is reversed from the shareholders' equity reserve and recognized in the income statement during the same years in which the effects of the hedged transaction are recognized in the income statement.

The gain or loss associated with the ineffective portion of the hedge is immediately recognized in the income statement. If the hedged transaction is no longer deemed highly probable, the unrealized gains or losses recognized in the shareholders' equity reserve are immediately entered to the income statement.

Gains and losses arising from the fair-value measurement of derivatives not designated as hedges are recognized directly in the income statement.

Inventory

Inventory, which consists of raw materials, products purchased, semi-finished, work in progress and finished products, is measured at the lesser of the cost of purchase and production and the estimated realizable value.

Cost is determined according to the FIFO method. The measurement of inventory also includes direct material and labor costs and indirect production costs (both variable and fixed).

In addition, provisions for impairment are allocated for materials, finished products, spare parts and other articles deemed obsolete or slow-moving, on the basis of their expected future use and estimated realizable value.

Assets and liabilities held for sale

Discontinued operations and non-current assets held for sale refer to lines of business and assets (or groups of assets) that have been sold or are in the process of being sold, the carrying value of which have been, or will be, recovered primarily through sale rather than continuing use.

Non-current assets held for sale are measured at the lesser of their net carrying value and fair value, net of selling costs.

Where such assets have originated in recent business combinations, they are measured at their current value, net of disposal costs.

In accordance with IFRSs, the figures for discontinued operations and/or assets held for sale are presented as follows:

- in two specific items of the balance sheet: Discontinued operations/Non-current assets held for sale and Discontinued operations/Non-current liabilities held for sale;
- in a specific item of the income statement: Net income (loss) from Discontinued operations/Non-current assets held for sale.

Staff leaving indemnity and other employee benefits

Staff leaving indemnity

The staff leaving indemnity, which is compulsory for Italian companies according to article 2120 of the Italian Civil Code, is a deferred benefit and is correlated to the length of each employee's term of employment and the compensation received during the period of service.

In application of IAS 19, the staff leaving indemnity calculated as indicated above is a "defined-benefit plan" and the associated obligation to be recognized (the provision for staff leaving indemnity) is determined through an actuarial calculation by using the Projected Unit Credit Method.

As permitted by IFRS 1 and IAS 19, SAES Getters has opted to recognize all actuarial gains and losses exceeding the limit of 10% of the actuarial liability on the income statement (the corridor method) both during first-time adoption IFRSs and subsequent years.

The costs associated with the increase in the current value of the staff leaving indemnity obligation arising from the proximity of the moment in which benefits are to be paid are included among "Personnel costs".

Effective January 1, 2007, the 2007 Finance Law and related implementation decrees have introduced significant changes to staff leaving indemnity rules, including the employees' right to choose whether to allocate the unaccrued portion of their leaving indemnity to complementary pension funds or the "Treasury Fund" managed by the INPS.

It follows that the obligation to the INPS, as well as contributions to complementary pension schemes, acquire the status of "defined-contribution plans" in accordance with IAS 19, whereas the amounts recognized in the provision for staff leaving indemnity continue to be considered "defined-benefit plans".

The amendments to the law enacted effective 2007 consequently entailed the redetermination of actuarial assumptions and the ensuing calculations employed to determine staff leaving indemnity.

Provisions for contingencies and obligations

Group companies recognize provisions for contingencies and obligations when there is a current (legal or implicit) obligation to a third party as the result of a past event and it is

likely that the Group will be required to invest resources in order to fulfill this obligation and the amount of the obligation may be reliably estimated.

Changes in estimates are reflected in the income statement for the year in which they occur.

Treasury shares

Treasury shares are recognized as a reduction in shareholders' equity.

Transactions in foreign currency

Transactions in foreign currencies are entered at the exchange rate in force on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect on balance sheet date. Exchange differences resulting from the discharge of monetary items or the conversion of such items at rates differing from those at which they were initially recognized during the year or at those of the end of the previous year are recognized in the income statement.

Revenue recognition

Revenues are recognized to the extent to which it is probable that the Group will receive the economic benefits and the amount of such benefits may be reliably determined. Revenues are represented net of discounts, allowances and returns.

Research and development costs and promotion expenses

Research and promotion expenses are charged directly to the income statement during the year in which they are incurred. Development expenses are capitalized if the conditions set out in IAS 38 are met, as already described in the paragraph 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.

Income taxes

Income taxes include all taxes calculated on the taxable income of Group companies. Income taxes are recognized on the income statement, with the exception of taxes pertaining to items directly charged or entered to a shareholders' equity reserve, in which case the associated tax effect is recognized directly in the respective shareholders' equity reserves.

Accruals for taxes that could be generated by the transfer of the undistributed earnings of subsidiaries are made solely where there is an effective intention to transfer such earnings.

Deferred tax liabilities/assets are recognized according to the balance sheet liability method. They are calculated on all temporary differences that arise between the taxable base of the assets and liabilities and the carrying values of these assets on the Consolidated Financial Statements, with the exception of goodwill, which is not tax-deductible.

Deferred tax assets on tax-loss carry-forwards are recognized to the extent to which there is likely to be future taxable income against which they may be recovered. Current and deferred tax assets and liabilities are offset where the income taxes are applied by the same tax authority and there is a legal right to offset them. Deferred tax assets and liabilities are determined by applying the tax rates expected to be applied under the tax codes of the various countries in which Group companies operate during the years in which the temporary differences will be eliminated.

Earning per share

Basic earning per ordinary share is calculated by dividing the Group's net income for the year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares). In a like manner, basic earning per savings share is calculated by dividing the Group's net income for the year attributable to savings shares by the weighted average number of savings shares outstanding during the year.

Use of estimates and subjective assessments

In order to prepare the Consolidated Financial Statements and related notes in accordance with IFRSs, the management is required to make estimates and assumptions that have an effect on assets and liabilities and on the information about contingent assets and liabilities as of the balance sheet date. The final results may differ from these estimates. Estimates and subjective assessments are employed to determine the recoverable value of non-current assets (including goodwill), revenues, accruals to provisions for receivables, obsolete and slow-moving inventory, depreciation and amortization, employee benefits, taxes, restructuring provisions, and other accruals and provisions. Estimates and assumptions are reviewed periodically and the effects of all changes are immediately reflected in the income statement.

In the absence of a standard or interpretation specifically applicable to a transaction, the Group's management conducts through subjective assessments in order to determine which accounting methods to adopt in order to provide relevant and reliable information so that the financial statements:

- are a faithful representation of the Group's financial position, net result and cash flows;
- reflect the economic substance of transactions;
- are neutral;
- are drafted on a prudential basis;
- are complete in all significant aspects.

New Standards and Interpretations effective from January 1, 2009

Accounting standards used to prepare 2009 Consolidated Financial Statements are consistent with those applied in the 2008 Consolidated Financial Statements, except for the adoption of the following new standards and interpretations applicable starting from January 1, 2009, as listed below:

IFRS 2 – *Share-based payment – Vesting conditions and cancellations*

The Standard has been amended to clarify the definition of vesting conditions and to

prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

IFRS 3 - Business Combinations (Revised) and IAS 27 - Consolidated and Separate Financial Statements (Amended).

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date.

Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests. The change in accounting policy was applied prospectively and had no impact consolidated net income and equity.

IFRS 7 - Financial Instruments, disclosures

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels (from level 1 to level 2) in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note no. 21. The liquidity risk disclosures are not significantly impacted by the amendments.

IFRS 8 – Operating segments

The Standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 - *Segment reporting*. Disclosures about each of these segments are shown in Note no. 13.

IAS 1 – Revised presentation of financial statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners; non-owner changes in equity are presented as a single line. In addition, this standard introduces the statement of comprehensive income: it presents all items of recognised income and expenses, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IAS 23 – Borrowing costs (Revised)

The standard has been revised to require capitalization of borrowing costs on qualifying assets. In accordance with the transitional requirements of the standard, this has been adopted as a prospective change. Moreover, the standard has been amended during the IASB 2008 Improvement process, to revise the definition of borrowing costs that must be capitalised. The adoption of this revised standard did not have any impact on the financial position of the Group.

IAS 32 – Financial instruments: presentation and IAS 1 - Puttable financial instruments and obligations arising on liquidation

The Standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfil a number of specified criteria. The adoption of these amendments did not have any impact on the financial position or performance of the Group.

IAS 39 - Financial Instruments: recognition and measurement – Eligible Hedged Items

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges as at December 31, 2009.

IFRIC 9 - Reassessment of Embedded Derivatives and IAS 39 - Financial Instruments: recognition and measurement

This amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. This assessment is to be made based on circumstances that existed on the later of the date the entity first became a party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss.

IFRIC 13 – Customer loyalty programmes

This interpretation requires customer loyalty credits to be accounted for as a separate component of the sales transaction in which they are granted. A portion of the fair value of the consideration received is allocated to the award credits and deferred. This is then recognised as revenue over the period that the award credits are redeemed. The adoption of this interpretation did not have any impact on the financial position or performance of the Group.

IFRIC 16 - Hedges of a net investment in a foreign operation

The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment.

As such, it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment.

Improvements to IFRSs

In May 2008 and April 2009 the IASB issued omnibus of amendments to its standards, primarily with the view of removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments results in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

IFRS 5 - *Non-current assets held for sale and discontinued operations*, clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.

IFRS 8 - *Operating segment information*, clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

As the Group's chief operating decision maker does review segment assets and liabilities, the Group has continued to disclose this information in Note no. 13.

IAS 1 - *Presentation of Financial Statements*: assets and liabilities classified as held for trading in accordance with IAS 39 - *Financial instruments: recognition and measurement*, are not automatically classified as current in the statement of financial position. This did not result in any reclassification of financial instruments between current and non-current in the statement of financial position.

IAS 7 - *Statement of cash flows*, explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities.

IAS 16 - *Property, plant and equipment*, replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

IAS 18 - *Revenue*: the Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to be considered are whether the entity:

- has primary responsibility for providing the goods or service
- has inventory risk
- has discretion in establishing prices
- bears the credit risk.

The Group has assessed its revenue arrangements against these criteria and has concluded that it is acting as principal in all arrangements. The revenue recognition accounting policy has been updated accordingly.

IAS 20 - *Accounting for government grants and disclosures of government assistance*: loans granted with no or low interest will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates.

IAS 23 - *Borrowing costs*: the definition of borrowing costs that must be capitalized has been revised. The interest expense is calculated using the effective interest rate method in accordance with IAS 39. This did not result in any change in the Group's financial position.

IAS 36 - *Impairment of assets*: when discounted cash flows are used to estimate 'fair value less cost to sell' additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate 'value in use'.

This amendment has no immediate impact on the Consolidated Financial Statements of the Group because the recoverable amount of its cash generating units is currently estimated using 'value in use'.

The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8, before aggregation for reporting purposes.

IAS 38 – *Intangible assets*: expenditure on advertising and promotional activities is recognized as expenses when the Group either has the right to access the goods or has received the services. This amendment has no impact on the Group because it does not enter into such promotional activities.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below.

IFRIC 17 - Distributions of non-cash assets to owners

This interpretation is effective for annual periods beginning on or after July 1, 2009 with early application permitted. It provides guidance on how to account for non-cash distributions to owners.

The interpretation clarifies when to recognise a liability, how to measure it and the associated assets, and when to derecognise the asset and liability. The Group does not expect IFRIC 17 to have an impact on the Consolidated Financial Statements as the Group has not made non-cash distributions to shareholders in the past.

3. Business combinations

Memry Corporation

The Group acquired 100% of Memry Corporation on September 29, 2008. The total cost of the transaction was 55,788 thousand of euro (USD 79.8 million).

As of the reporting date of the 2008 annual financial statements, the process of determining the current values of the company's assets and liabilities was still ongoing. Accordingly, in the financial statements as of December 31, 2008, these assets and liabilities were recognized on the basis of their historical values and the goodwill generated by the acquisition was to be considered provisional.

The valuation of the net assets acquired was completed in 2009. The following table shows both the previous historical values and the current values of Memry Corporation's assets and liabilities as of the acquisition date, as well as the different surplus values generated by the acquisition:

(thousands of euro)

September 29, 2008

	Fair values	Historical book values
Property, plant and equipment, net	8,013	3,781
Intangible assets, net	10,992	357
Other receivables and other assets	10,454	10,473
Inventory	4,952	3,706
Assets held for sale	17,210	17,017
Total assets	51,621	35,334
Net equity	36,324	25,979
Liabilities	14,943	9,002
Liabilities held for sale	354	354
Total equity and liabilities	51,621	35,334
Goodwill	19,464	29,809
Price paid for acquisition	55,788	55,788
Cash acquired	4,364	4,364
Price paid for acquisition, net of cash acquired	51,424	51,424

The main intangible assets identified consist of:

- customer relationships of 2,453 thousand of euro;
- technology of 6,547 thousand of euro; and
- non-compete agreements of 1,874 thousand of euro.

The value of customer relationships was calculated by using the income criterion. The main factors that determine value according to this criterion are:

- the residual life of the customer relationships;
- the attrition rate for customers acquired; and
- the net margin on sales made to customers acquired, obtained by subtracting the consideration for the fixed assets that contribute to generating income from the gross margin.

The value of the customer relationships acquired is equal to the current value of the net margin for the customers acquired, after the exemption from taxes has been eliminated.

The value of technology was calculated using the royalty method, i.e. by determining the cost savings arising from owning the technology rather than paying fees to use it.

The value of non-compete agreements was determined through the discounted cash flow method, by comparing the present value of the future cash flows to be generated by the company with and without the non-compete agreements.

The current values of property, plant and equipment have been determined through an appraisal conducted by an independent third party.

Inventory has been calculated at its realizable value, net of any costs to sell.

Since the differences between current and carrying amounts are not recognized for tax purposes, deferred taxes have been recognized on the surplus values identified (excluding goodwill).

The assets and liabilities of Memry Corporation's polymer division, classified among "assets and liabilities held for sale", had already been measured at their current values as of December 31, 2008. Their fair values have therefore been modified to match subsequent changes in sale prices.

The comparative figures for 2008 have been restated to reflect these adjustments.

4. Net sales

Consolidated net sales came to 128,805 thousand of euro in 2009, down by 17.8% compared to December 31, 2008. On a like-for-like basis, the decrease was 32.2%.

The following table shows a breakdown of net sales by business:

(thousands of euro)

Business	2009	2008	Difference	Difference %	Consolidation area effect %	Price/Q.ty effect %	Exchange rate effect %
Liquid Cristal Displays	29,584	64,634	(35,050)	-54.2%	0.0%	-55.4%	1.2%
Cathode Ray Tubes	4,019	10,400	(6,381)	-61.4%	0.0%	-63.7%	2.3%
Subtotal Information Displays	33,603	75,034	(41,431)	-55.2%	0.0%	-56.5%	1.3%
Lamps	10,413	11,508	(1,095)	-9.5%	0.0%	-13.6%	4.1%
Electronic Devices	22,093	20,230	1,863	9.2%	3.7%	1.4%	4.1%
Vacuum Systems and Thermal Insulation	13,134	11,430	1,704	14.9%	0.0%	10.5%	4.4%
Semiconductors	14,940	20,564	(5,624)	-27.3%	0.0%	-31.3%	4.0%
Subtotal Industrial Applications	60,580	63,732	(3,152)	-4.9%	1.2%	-10.2%	4.1%
Subtotal Shape Memory Alloys	34,279	17,624	16,655	94.5%	124.1%	-32.9%	3.2%
Subtotal Advanced Materials	343	295	48	16.3%	0.0%	11.4%	4.9%
Total net sales	128,805	156,685	(27,880)	-17.8%	14.4%	-34.9%	2.7%

Please refer to the Report on Operations of SAES Getters Group for further details.

The sales of Memry Corporation's polymer division (1,215 thousand of euro), which was sold on February 9, 2009, and the sales reported by SAES Opto S.r.l., associated with the marketing of the products of the subsidiary SAES Opto Materials S.r.l. (294 thousand of euro), which was also sold on December 18, 2009, are not included among consolidated net sales, but rather have been reclassified to the line "Net income (loss) from discontinued operations". Please refer to Note no. 11 for further details.

5. Cost of sales

The cost of sales came to 77,150 thousand of euro in 2009, marking an increase of 10,385 thousand of euro compared to the previous year (+15.6%).

On a like-for-like basis, the cost of sales came to 61,702 thousand of euro.

We report that the cost of sales includes 7,775 thousand of euro in non-recurring costs.

A breakdown of the cost of sales by category is given below:

(thousands of euro)

	2009	2008	Difference
Raw materials	19,952	24,103	(4,151)
Direct labour	14,426	12,890	1,536
Manufacturing overhead	38,985	29,023	9,962
Increase (decrease) in work in progress and finished goods	3,787	749	3,038
Total cost of sales	77,150	66,765	10,385

The items "Raw materials" and "Increase (decrease) in work in progress and finished goods" show a net decrease following to the decline in net sales, partly offset by the different product mix sold.

The increase in "Direct labour" is due solely to the change in the scope of consolidation. In detail, while in 2008 Memry Corporation's personnel costs affected the consolidated income statement only for the three months following the acquisition, in 2009 these costs were considered for the entire year. Excluding the change in the scope of consolidation (+3,823 thousand of euro), direct labor costs decreased by 2,287 thousand of euro due to the reduction in the average number of the Group's direct employees.

The line "Manufacturing overhead" includes 7,921 thousand of euro in non-recurring costs, chiefly associated with write-downs of assets (in particular, the goodwill allocated to the SMA Cash-Generating Unit and non-current assets related to the CRT business) and staff restructuring costs.

6. Operating expenses

Operating expenses came to 64,256 thousand of euro in 2009, up by 4,698 thousand of euro on the previous year. On a like-for-like basis, operating expenses came to 58,362 thousand of euro.

As shown in the table set forth in Annex 1, in 2009 the item "Operating expenses" was charged with 9,820 thousand of euro in non-recurring costs.

They consist primarily of staff restructuring costs (5,258 thousand of euro) and asset write-downs (3,058 thousand of euro), in addition to 1,447 thousand of euro associated with the extraordinary compensation to the founder of the SAES Getters Group in reward for his career.

(thousands of euro)

	2009	2008	Difference
Research & development costs	15,642	17,657	(2,015)
Selling expenses	16,579	13,921	2,658
General & administrative expenses	32,035	27,980	4,055
Total operating expenses	64,256	59,558	4,698

As of December 31, 2009, **research and development costs** included 1,232 thousand of euro in severance costs (net of the savings arising from the use of the ordinary redundancy fund) and 605 thousand of euro in write-downs of assets related to the optoelectronics business. Net of these non-recurring effects, research and development costs

would be equal to 13,805 thousand of euro, or 10.7% of total consolidated net sales, essentially in line with the 10.9%² from the previous year.

Selling expenses came to 13,850 thousand of euro as of December 31, 2009, net of non-recurring costs. The one-off costs included in this item consisted primarily of severance costs (net of the positive effect arising from the savings due to the use of the ordinary redundancy fund) of 2,707 thousand of euro. If both non-recurring costs and the change in the scope of consolidation are excluded, selling expenses decreased by 1,601 thousand of euro due to the cost reduction plan implemented by the Group.

General and administrative expenses included the above-mentioned extraordinary compensation paid to the Group's founder and honorary chairman, the write-down of the user license for the Group's information technology system (2,313 thousand of euro – for further details, please refer to Note no. 15) and 1,319 thousand of euro in severance costs, net of the positive effects arising from the savings achieved through the use of the ordinary redundancy fund. Net of the one-off costs and the change in the scope of consolidation, general and administrative expenses would have been equal to 23,961 thousand of euro, down sharply compared to 2008.

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

(thousands of euro)

	Total costs by nature		
	2009	2008	Difference
Raw materials	19,952	24,103	(4,151)
Personnel cost	57,008	49,916	7,092
Travel expenses	1,669	2,340	(671)
Maintenance and repairs	3,520	3,811	(291)
Depreciation	11,064	9,450	1,614
Amortization	3,569	1,270	2,299
Corporate bodies	3,450	3,092	358
Various materials	4,988	7,037	(2,049)
Insurances	1,161	1,095	66
Write down of non current assets	9,283	43	9,240
Promotions and advertising	685	740	(55)
Provision (reversal) of bad debt	141	(94)	235
Consultant fees and legal expenses	4,173	6,254	(2,081)
Audit fees	603	663	(60)
Rent and operating leasing	4,005	2,587	1,418
Utilities	3,719	3,959	(240)
Training	115	292	(177)
Licenses and patents	1,542	1,459	83
Telephone and fax	818	700	118
Transports	1,407	1,422	(15)
Commissions	713	762	(49)
General services (canteen, cleaning, vigilance etc.)	1,277	1,455	(178)
Other recovery	(353)	(1,167)	814
Other	3,110	4,385	(1,275)
Total cost by nature	137,619	125,574	12,045
Increase (decrease) in work in progress and finished goods	3,787	749	3,038
Total cost of sales and operating expenses	141,406	126,323	15,083

² In 2008 the one-off costs included in R&D expenses were equal to 535 thousand of euro.

The decrease in the item **raw materials** has been already commented upon above in the paragraph concerning cost of sales, to which the reader is referred (Note no. 5).

On the whole, **personnel cost** came to 57,008 thousand of euro in 2009. Net of extraordinary items (severance costs and savings achieved through the use of the ordinary redundancy fund), personnel cost came to 51,299 thousand of euro, up from 49,916 thousand in 2008, due solely to the effect of the consolidation of the newly acquired U.S. companies. If the change in the scope of consolidation is excluded, personnel cost came to 41,128 thousand of euro, down on the previous year owing to the reduction in the average number of the Group's salaried employees due to the rationalization of its production and commercial activities and structural operations.

The item **depreciation and amortization** includes 672 thousand of euro in greater depreciation and amortization due to the decrease in the estimated useful lives of assets allocated to the Information Displays segment. Net of these one-off costs, the increase compared to 2008 is primarily attributable to the change in the scope of consolidation. This item also includes depreciation and amortization (2,234 thousand of euro) of non-current assets designated at fair value following the completion of the initial recognition of the Memry Corporation business combination in accordance with the provisions of IFRS 3.

Lastly, 449 thousand of euro in depreciation and amortization is included in the item "Net income (loss) from discontinued operations" (refer to Note no. 11 for further details).

The decrease in the costs of purchases of various kinds, such as costs of purchasing of **various materials**, as well as **consultant fees**, was in line with the savings policy pursued by the Group in 2009.

On the item **write-downs**, the reader is referred to Notes no. 14 and 15. It should be noted that approximately 2,197 thousand of euro in write-downs have been included in the item "Net income (loss) from discontinued operations".

The significant increase in **rent and operating lease** costs is explained by both the change in the scope of consolidation (in particular, the consolidation of Memry Corporation effective September 29, 2008) and by the rental costs incurred by the Parent Company for information technology equipment.

The following table shows a breakdown of the fees paid to the Directors, Statutory Auditors and employees 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 April 21, 2009)**	Compensat. for the position	Non monetary benefit	Bonus and other incentives	TFM and PNC*	Other
Board of Directors							
della Porta Paolo (##)	President	from January 1, 2009 to April 20, 2009	129	a 3	q 1,447	46	b 50
della Porta Massimo	President	from January 1, 2009 to December 31, 2011	745	a 8		97	c 1
Canale Giulio	Vice President and Managing Director	from January 1, 2009 to December 31, 2011	638	a 7		86	c 1
Rolando Giuseppe (#)	Director	from January 1, 2009 to April 20, 2009	3	e 1			d 26
Baldi Stefano	Director	from January 1, 2009 to December 31, 2011	10				f 4
Christillin Evelina (#)	Director	from January 1, 2009 to April 20, 2009	3				
della Porta Giuseppe	Director	from January 1, 2009 to December 31, 2011	10				
De Maio Adriano	Director	from January 1, 2009 to December 31, 2011	10				g 32
Dogliotti Andrea	Director	from January 1, 2009 to December 31, 2011	10				h 7
Gilardoni Andrea	Director	from January 1, 2009 to December 31, 2011	10				
Mazzola Pietro Alberico	Director	from January 1, 2009 to December 31, 2011	10				
Orecchia Roberto	Director	from January 1, 2009 to December 31, 2011	7				i 11
Sironi Andrea	Director	from January 1, 2009 to December 31, 2011	10				l 13
Spinola Gianluca	Director	from January 1, 2009 to December 31, 2011	10				
Ugo Renato (#)	Director	from January 1, 2009 to April 20, 2009	3				m 21
Total Board of Directors			1,608	19	1,447	229	166
Board of Statutory Auditors							
Donnamaria Vincenzo	Chairman	from January 1, 2009 to December 31, 2011	19				n 29
Civardi Maurizio	Statutory Auditor	from January 1, 2009 to December 31, 2011	13				o 4
Martinelli Alessandro	Statutory Auditor	from January 1, 2009 to December 31, 2011	13				p 7
Total Board of Statutory Auditors			45	0	0		40
Total managers with strategic responsibilities			1,250	0	0		0

** It means the approval date of the Financial Statement for the year ended as of December 31, 2011.

(#) Left as at April 21, 2009 with the approval of the Financial Statement as at December 31, 2008.

(##) Paolo della Porta has been appointed Honorary President as at April 21, 2009, honorary charge with no compensation.

* TFM: severance package for directors; PNC: covenant in restraint of competition for directors.

(a) compensation in the form of company car, healthcare assistance, check ups, accident and extra-professional insurance

(b) compensation for the sale of literary property

(c) compensation for the position of director in subsidiaries

(d) of which 6 thousand of euro for the position of member for the Oversight Committee, 3 thousand of euro for the position of member for the Audit Committee, 1 thousand of euro for the position of member for the Oversight Committee in subsidiaries and 16 thousand of euro as consultant

(e) compensation in the form of company car

(f) of which 3 thousand of euro for the position of member of Compensation Committee and 1 thousand of euro for reimbursement of expenses

(g) of which 14 thousand of euro for the position of member of the Audit Committee, 5 thousand of euro for the position of member of the Compensation Committee and 13 thousand of euro for the position of Lead Independent Director

(h) of which 6 thousand of euro for the position of member of Audit Committee and 1 thousand of euro for reimbursement of expenses

(i) compensation for the position of member of the Oversight Committee

(l) of which 9 thousand of euro for the position of member of Audit Committee and 4 thousand of euro for the position of member of the Compensation Committee

(m) of which 6 thousand of euro for the position of President of the Audit Committee, 5 thousand of euro for the position of member of the Oversight Committee and 10 thousand of euro for the position of Lead Independent Director

(n) of which 16 thousand of euro for the position of member of the Oversight Committee, 4 thousand of euro for expenses reimbursement and 9 thousand of euro for the position of President of Statutory Auditors in subsidiaries

(o) for reimbursement of expenses

(p) compensation for the position of Statutory Auditors in subsidiaries

(q) On April 21, 2009 the Shareholders' Meeting approved the free assignment to Dr Ing. Paolo della Porta of No. 100,000 ordinary shares of SAES Getters S.p.A., held in the portfolio of the Company, in addition to a cash amount to pay the related taxes, as acknowledgment to his career.

7. Other income (expenses)

The item came to a net income of 955 thousand of euro as of December 31, 2009, marking an increase of 526 thousand of euro compared to the previous year.

The details are provided below:

(thousands of euro)

	2009	2008	Difference
Other income	2,465	1,365	1,100
Other expenses	(1,510)	(936)	(574)
Other income (expenses), net	955	429	526

The item "Other income (expenses)" includes 300 thousand of euro in revenues arising from a commercial partnership agreement with a key player in the electronics industry, leader in the semiconductor sector, as part of the strategy of diversifying getter products into rapidly growing emerging sectors with high technology content.

8. Financial income (expenses)

The following table shows financial income in 2009 as compared to the previous year:

(thousands of euro)

	2009	2008	Difference
Bank interest	337	1,688	(1,351)
Other financial income	0	229	(229)
Gains from IRS evaluation at fair value	141	0	141
Total financial income	478	1,917	(1,439)

The decrease in bank interest income is primarily attributable to the lower average balance of deposits in 2009 compared to the previous year and the decrease in interest rates paid by banks as return on the Group's investments.

The following table shows financial expenses in 2009 as compared to the previous year:

(thousands of euro)

	2009	2008	Difference
Bank interest and other bank expenses	(1,378)	(1,606)	228
Other financial expenses	(6,371)	(276)	(6,095)
Realized losses on IRS	(218)	0	(218)
Losses from IRS evaluation at fair value	(12)	(508)	496
Total financial expenses	(7,979)	(2,390)	(5,589)

The item "Bank interest and other bank expenses" consists primarily of interest expenses on loans taken out by the U.S. companies. The decrease in this item compared to the previous year was due to the reduction in average interest rates on outstanding loans and the absence in 2009 of the costs incurred by the Parent Company in 2008 to acquire new lines of credit, which remained unused as of December 31, 2008.

The increase in the item "Other financial expenses" was primarily due to the accrual of 5,986 thousand of euro for the estimated costs of contractual commitments to minority-interest shareholders made upon the incorporation of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., which became onerous due to changed market conditions (for further details, refer to Note no. 28).

The item "Gains (losses) from IRS evaluation at fair value" represents the effect on the income statement of the measurement of the Interest Rate Swap (IRS) agreements of the Group's U.S. companies. The losses realized on unwound contracts have been included in the item "Realized losses on IRS".

9. Foreign exchange gains (losses)

The following table shows a breakdown of foreign exchange gains and losses as of December 31, 2009:

(thousands of euro)

	2009	2008	Difference
Foreign exchange gains	4,263	13,105	(8,842)
Foreign exchange losses	(5,881)	(9,863)	3,982
Foreign exchange gains (losses), net	(1,618)	3,242	(4,860)
Realized exchange gains on forward contracts	898	191	707
Realized exchange losses on forward contracts	(1,404)	(282)	(1,122)
Gains (losses) from forward contracts evaluation at fair value	907	(2,666)	3,573
Gains (losses) on forward contracts	401	(2,757)	3,158
Foreign exchange gains (losses), net	(1,217)	485	(1,702)

The item showed net foreign exchange losses of 1,217 thousand of euro in 2009, with a worsening of 1,702 thousand of euro on the previous year.

The worsened foreign exchange performance was primarily due to the lesser gains on the translation of cash and cash equivalents and the cash-pooling financial receivables of foreign subsidiaries denominated in euro. This phenomenon is explained by the decline in the average balances of deposits in euro with said subsidiaries, as well as the greater stability than in the previous year of local currencies (the Korean won in particular) against the euro, the currency of reference for these deposits.

However, the negative effect of the foreign exchange performance was reduced by gains on forward contracts (401 thousand of euro) entered into in order to offset fluctuations in foreign currencies in portfolio.

The item "Gains (losses) on forward contracts" includes both the gains or losses realized when forward contracts on transactions in foreign currencies (U.S. dollars and Japanese yen) are unwound and the impact on income statement of fair market evaluation of outstanding contracts.

10. Income taxes

Income taxes came to 2,838 thousand of euro in 2009, marking a decrease of 7,433 thousand of euro compared to the previous year.

The item in question may be broken down as follows:

(thousands of euro)

	2009	2008	Difference
Current taxes	3,320	11,476	(8,156)
Deferred taxes	(482)	(1,205)	723
Total	2,838	10,271	(7,433)

Income taxes are present, despite the negative pre-tax income at the consolidated level, mainly following the allocation of deferred tax liabilities on the net income to be distributed by Group companies and the failure to recognize deferred tax assets on the losses reported. Please refer to the table containing the reconciliation between the theoretical and effective income taxes for details.

The decrease in current income taxes is primarily attributable to the lesser taxable incomes of Group companies. The presence of taxes, despite a pre-tax loss at the consolidated level, is primarily due to the U.S. companies and the Korean subsidiary, which closed the year with positive pre-tax income.

The item "Current taxes" includes the tax benefit arising from tax credits for research and development activities enjoyed by the Group's Italian companies (294 thousand of euro in 2009 and 2,022 thousand of euro in 2008 respectively).

During the year, the Group realized a total of 17,530 thousand of euro in tax losses for which it did not recognize deferred tax assets inasmuch as it does not foresee that these losses may be used to offset future taxable income.

As stated in the Annual Financial Report for the previous year, in 2008 the 2005 income tax return of SAES Getters S.p.A. was audited by the Italian Revenue Agency. At the time of writing, no assessment notice had been received. The Company, inasmuch as it currently lacks the basis for an estimate of the possible liability, and considering that it does not believe that significant liabilities for the Group may emerge from said audit, has not recognized any provisions for risks.

The following table shows the reconciliation of theoretical tax charges on the basis of the tax rates in force in Italy (IRES) and the effective tax charges according to the Consolidated Financial Statements:

(thousands of euro)

	2009		2008	
Income before taxes		(20,364)		30,803
Theoretical tax rate and tax charges	27.50%	(5,600)	27.50%	8,471
Effect of different rate applicable to Group companies	-2.74%	558	-2.39%	(738)
Taxes on subsidiaries accumulated profits and taxes on dividends	-11.25%	2,290	6.86%	2,113
Non recognition of deferred tax assets on fiscal losses	-22.04%	4,489	3.11%	958
Tax receivables for R&D activities - Italian Group's companies	1.44%	(294)	-6.57%	(2,022)
Other permanent differences	-2.34%	477	-1.41%	(433)
IRAP and other local taxes	-4.51%	918	6.24%	1,922
Effective tax rate and tax charges	-13.94%	2,838	33.34%	10,271

11. Net income (loss) from assets held for sale and discontinued operations

The net loss from discontinued operations came to 3,095 thousand of euro in 2009 (compared to a loss of 1,172 thousand of euro in 2008) and included the net results of Putnam Plastics, Opto Materials S.r.l., SAES Opto S.r.l. and SAES Getters Technical Service (Shanghai) Co., Ltd.

Putnam Plastics – polymer division of Memry Corporation

The net result of Memry Corporation's polymer division, sold on February 9, 2009 because it was not viewed as synergetic to the Group's business, from January 1 to the date of sale has been reclassified to a specific item of the income statement as net income from discontinued operations and may be broken down as follows:

(thousands of euro)

	2009	2008
Net sales	1,215	3,091
Cost of sales	(858)	(2,150)
Gross profit	357	941
Operating expenses	(149)	(388)
Other income (expenses)	(8)	5
Operating income (loss)	200	558
Financial income (expenses)	0	0
Net income (loss) from discontinued operations	200	558

SAES Opto Materials S.r.l. (renamed Opto Materials S.r.l. in December 2009)

The line item "Net income (loss) from assets held for sale and discontinued operations" also includes the costs and revenues of the subsidiary Opto Materials S.r.l., which operates in the optoelectronics business, and which was sold to Scientific Materials Europe S.r.l. on December 18, 2009 for 880 thousand of euro. The income

statement figures from the previous year have also been reclassified in order to provide a consistent basis for comparison.

The following tables show the subsidiary's cash flows and the net results until the date of its sale:

(thousands of euro)

	2009	2008
Cash flows from operating activities	(49)	(243)
Cash flows from investing activities	(59)	(977)
Cash flows from financial activities	1,500	1,000
Net (decrease) increase in cash and cash equivalents	1,392	(220)
Cash and cash equivalents at the beginning of the period	(1,392)	(1,172)
Cash and cash equivalents at the end of the period	0	(1,392)

(thousands of euro)

	2009	2008
Net sales	0	30
Cost of sales	(675)	(1,555)
Gross profit	(675)	(1,525)
Operating expenses	(314)	(239)
Other income (expenses)	1	(13)
Operating income (loss)	(988)	(1,777)
Financial income (expenses)	1	(1)
Write-down of fixed assets for alignment to fair value, net of selling costs	(2,175)	0
Net income (loss) from discontinued operations	(3,162)	(1,778)
of which:		
depreciation	443	320
amortization	0	37
write -down of fixed assets	2,175	515

The net assets of Opto Materials S.r.l., immediately prior to being classified as held for sale, were written down to bring their carrying amounts into line with their fair value, less costs to sell. This impairment loss came to a total of 2,175 thousand of euro.

SAES Opto S.r.l.

Following the decision to exit the non-strategic optoelectronics business and thus to sell Opto Materials S.r.l., all costs and revenues of the subsidiary SAES Opto S.r.l. as of December 31, 2009 have been reclassified to the line item "Net income (loss) from assets held for sale and discontinued operations". The comparative figures for the previous year have also been reclassified to provide a consistent basis of comparison.

(thousands of euro)

	2009	2008
Cash flows from operating activities	(349)	(395)
Cash flows from investing activities	880	(45)
Cash flows from financial activities	500	(30)
Net (decrease) increase in cash and cash equivalents	1,031	(470)
Cash and cash equivalents at the beginning of the period	(636)	(166)
Cash and cash equivalents at the end of the period	395	(636)

(thousands of euro)

	2009	2008
Net sales	294	392
Cost of sales	(1)	0
Gross profit	293	392
Operating expenses	(425)	(398)
Other income (expenses)	1	(102)
Operating income (loss)	(131)	(108)
Financial income (expenses)	(1)	(2)
Income taxes	0	136
Net income (loss) from discontinued operations	(132)	26
of which:		
depreciation	0	1
amortization	6	44
write-down of fixed assets	22	0

SAES Getters Technical Service (Shanghai) Co., Ltd.

It has to be noted that the item "Net income (loss) from assets held for sale and discontinued operations" includes the loss of 1 thousand of euro reported by SAES Getters Technical Service (Shanghai) Co., Ltd., the liquidation procedure for which was concluded on May 21, 2009. The Chinese subsidiary had ended 2008 with a net income of 22 thousand of euro.

12. Earnings (loss) per share

Earnings (loss) per share has been calculated by dividing the net loss of the SAES Getters Group for the period by the average number of shares outstanding during 2009. The following table shows result per share in 2009 compared with the figure for 2008:

Earning (loss) per share	2009	2008 restated
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	630,000	696,660
Average number of savings treasury shares	82,000	81,816
Average number of treasury shares	712,000	778,476
Average number of outstanding ordinary shares	14,641,350	14,574,690
Average number of outstanding savings shares	7,378,619	7,378,803
Average number of outstanding shares	22,019,969	21,953,493
Earning (loss) to ordinary shares from continuing operations	(15,506)	13,631
Earning (loss) to savings shares from continuing operations	(7,696)	6,901
Shareholders' earning (loss) from continuing operations (€/000)	(23,202)	20,532
Earning (loss) to ordinary shares from discontinued operations	(2,058)	(778)
Earning (loss) to savings shares from discontinued operations	(1,037)	(394)
Shareholders' earning (loss) from discontinued operations (€/000)	(3,095)	(1,172)
Earning (loss) to ordinary shares	(17,564)	12,853
Earning (loss) to savings shares	(8,733)	6,507
Shareholders' earnings (loss) for the period	(26,297)	19,360
Earning (loss) per share from continuing operations (€)		
-ordinary shares	(1.0590)	0.9353
-savings shares	(1.0430)	0.9353
Earning (loss) per share from discontinued operations (€)		
-ordinary shares	(0.1406)	(0.0534)
-savings shares	(0.1406)	(0.0534)
Earning (loss) per share (€)		
-ordinary shares	(1.1996)	0.8819
-savings shares	(1.1836)	0.8819

13. Segment information

For management purposes, the Group is organized into three business units according to the final application of the products and services provided. As of December 31, 2009, the Group's operations were divided into three primary operating segments:

- **Information Displays** - getters and dispensers used in the displays;
- **Industrial Applications** - getters and dispensers used in a wide range of industrial applications (lamps, electronic devices, MEMS, vacuum systems and vacuum thermal insulation solutions, solar collectors, semiconductors);
- **Shape Memory Alloys** - raw materials, semi finished products and components in shape memory alloy for both medical and industrial applications.

The top management monitors the results of the various Business Units separately in order to make decisions concerning the allocation of resources and investments and to determine the Group's profitability. Each unit is evaluated according to its operating

result. Financial income and expenses, foreign exchange performance and income taxes are measured at the overall Group level and thus are not allocated to operating segments. Internal reports are prepared in accordance with IFRSs and no reconciliation with carrying amounts is therefore necessary.

The column "Not allocated" includes corporate income statement and financial position values and income statement and financial position 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 financial position values that cannot be allocated to primary segments.

Following a change in the product mix, in part due to the acquisitions closed in 2008, and modifications to the information technology system, in 2009 the Group completed a study aimed at updating the criteria for allocating operating expenses to the various business units to suit the changed market scenario and the strategic repositioning of the SAES Getters Group. In this regard, the 2008 operating expenses have also been reclassified to the various business units to provide a consistent basis of comparison. The following table ("restatement" column) shows the effects of this change in operating segment results:

(thousands of euro)

	Information Displays			Industrial Applications			Shape Memory Alloys			Not allocated			Total		
	2008	restate- ment	2008 restated	2008	restate- ment	2008 restated	2008	restate- ment	2008 restated	2008	restate- ment	2008 restated	2008	restate- ment	2008 restated
Total net sales	75,034		75,034	63,732		63,732	17,624	0	17,624	295	0	295	156,685	0	156,685
Gross profit	54,594		54,594	30,979		30,979	4,344	0	4,344	3	0	3	89,920	0	89,920
% on sales	72.8%		72.8%	48.6%		48.6%	24.6%		24.6%	1.0%		1.0%	57.4%		57.4%
Research & development expenses	(4,527)	3,101	(1,426)	(6,154)	966	(5,188)	(2,155)	134	(2,021)	(4,821)	(4,201)	(9,022)	(17,657)	0	(17,657)
Selling expenses	(4,891)	1,093	(3,798)	(6,888)	368	(6,520)	(1,805)	55	(1,870)	(337)	(1,516)	(1,551)	(13,921)	0	(13,921)
General & administrative expenses	(10,117)	5,045	(5,072)	(6,735)	2,616	(4,119)	(3,627)	206	(3,497)	(7,501)	(7,867)	(15,033)	(27,980)	0	(27,980)
Total operating expenses	(19,535)	9,239	(10,296)	(19,777)	3,950	(15,827)	(7,587)	395	(7,192)	(12,659)	(13,584)	(26,243)	(59,558)	0	(59,558)
Other income (expenses), net	43	0	43	459	0	459	79	0	79	(152)	0	(152)	429	0	429
Operating income (loss)	35,102	9,239	44,341	11,661	3,950	15,611	(3,164)	395	(2,769)	(12,808)	(13,584)	(26,392)	30,791	0	30,791
% on sales	46.8%		59.1%	18.3%		24.5%	-18.0%		-15.7%	n.s.		n.s.	19.7%		19.7%
Interest and other financial income (expenses), net													(473)	0	(473)
Foreign exchange gains (losses), net													485	0	485
Income (loss) before taxes													30,803	0	30,803
Income taxes													(10,271)	0	(10,271)
Net income (loss) on continuing operations													20,532	0	20,532
Net income (loss) on discontinuing operations													(1,172)	0	(1,172)
Net income (loss)													19,360	0	19,360
Minority interest in consolidated subsidiaries													0	0	0
Group net income (loss)													19,360	0	19,360

In addition, it should be noted that:

- the figures related to the business of getters for microelectronic and micromechanical systems (MEMS) and to the products provided by Spectra-Mat, Inc., used in semiconductor laser devices to manage the heat dissipation (Thermal Management) in high-power applications, previously included in the Advanced Materials Business Development Unit, have been allocated to the Electronic Devices Business, inside the Industrial Applications Business Unit;

- sales related to getters for solar collectors and to getter products designed to absorb hydrogen gas within sealed containers for military use, previously included in the Electronic Devices Business, have been reclassified into the Vacuum Systems and Thermal Insulation Business.

The following table breaks down the main income statement figures by operating segment:

(thousands of euro)

	Information Displays		Industrial Applications		Shape Memory Alloys		Not allocated		Total	
	2009	2008 restated	2009	2008 restated	2009	2008 restated	2009	2008 restated	2009	2008 restated
Total net sales	33,603	75,034	60,580	63,732	34,279	17,624	343	295	128,805	156,685
Gross profit	17,522	54,594	28,794	30,979	5,990	4,344	(651)	3	51,655	89,920
% on sales	52.1%	72.8%	47.5%	48.6%	17.5%	24.6%	-189.8%	1.0%	40.1%	57.4%
Total operating expenses	(9,077)	(10,296)	(15,656)	(15,827)	(12,300)	(7,192)	(27,223)	(26,243)	(64,256)	(59,558)
Other income (expenses), net	258	43	483	459	282	79	(68)	(152)	955	429
Operating income (loss)	8,703	44,341	13,621	15,611	(6,028)	(2,769)	(27,942)	(26,392)	(11,646)	30,791
% on sales	25.9%	59.1%	22.5%	24.5%	-17.6%	-15.7%	n.s.	n.s.	-9.0%	19.7%
Interest and other financial income (expenses), net									(7,501)	(473)
Foreign exchange gains (losses), net									(1,217)	485
Income (loss) before taxes									(20,364)	30,803
Income taxes									(2,838)	(10,271)
Net income (loss) on continuing operations									(23,202)	20,532
Net income (loss) on discontinuing operations									(3,095)	(1,172)
Net income (loss)									(26,297)	19,360
Minority interest in consolidated subsidiaries									0	0
Group net income (loss)									(26,297)	19,360

The following table shows the break down of the main balance sheet figures by operating segment:

(thousands of euro)

	Continuing operations								Discontinuing operations						Total	
	Information Displays		Industrial Applications		Shape Memory Alloys		Not allocated		Industrial Applications		Shape Memory Alloys		Not allocated			
<i>Assets and liabilities</i>	Dec. 31 2009	Dec. 31 2008	Dec. 31 2009	Dec. 31 2008	Dec. 31 2009	Dec. 31 2008	Dec. 31 2009	Dec. 31 2008	Dec. 31 2009	Dec. 31 2008	Dec. 31 2009	Dec. 31 2008	Dec. 31 2009	Dec. 31 2008	Dec. 31 2009	Dec. 31 2008
Non current assets	12,378	31,108	24,573	20,768	52,159	62,588	27,763	23,595							116,873	138,059
Current assets	8,894	14,089	17,559	22,768	10,180	12,275	30,947	42,027	685	55		17,638			68,265	108,852
Total assets	21,272	45,197	42,132	43,536	62,339	74,863	58,710	65,622	685	55	0	17,638	0	0	185,138	246,911
Non current liabilities	1,299	3,192	4,961	4,245	290	656	26,749	26,277							33,299	34,370
Current liabilities	2,399	9,327	6,408	7,847	3,326	5,349	40,855	47,485				177			52,988	70,185
Total liabilities	3,698	12,519	11,369	12,092	3,616	6,005	67,604	73,762	0	0	0	177	0	0	86,287	104,555
Other segment information																
Capital expenditure	578	3,984	1,691	2,865	1,869	1,036	4,121	6,035							8,259	13,920
Depreciation & amortization	3,007	3,875	4,501	3,661	5,231	2,176	1,894	1,008					451		15,084	10,720
Non cash expenses (other than depreciation and amortization)	2,412	11	362	198	4,035	54	3,153	36							9,962	299

Information on geographical areas

The following table breaks down sales by client location:

(thousands of euro)

	2009	%	2008	%	Total difference	Difference %
Italy	1,269	1.0%	836	0.5%	433	51.8%
Europe	20,402	15.8%	23,801	15.2%	(3,399)	-14.3%
North America	52,539	40.8%	32,625	20.8%	19,914	61.0%
Japan	14,098	10.9%	37,303	23.8%	(23,205)	-62.2%
South Korea	13,479	10.5%	21,314	13.6%	(7,835)	-36.8%
China	8,666	6.7%	14,133	9.0%	(5,467)	-38.7%
Other asian countries	17,853	13.9%	24,264	15.5%	(6,411)	-26.4%
Other	499	0.4%	2,409	1.5%	(1,910)	-79.3%
Total net sales	128,805	100%	156,685	100%	(27,880)	-17.8%

The following table breaks down non-current assets by geographical area:

(thousands of euro)

	Italy	Europe	North America	Japan	Other asian countries	Total non current assets (*)
2009	47,714	2,803	56,842	0	4,287	111,646
2008	54,647	3,086	66,980	192	8,072	132,977

(*) They are included in this amount: net property, plant and equipment, net intangible assets, other receivables and long term assets and the non current part of the tax consolidation receivables from Controlling Company.

14. Property, plant and equipment, net

Property, plant and equipment, net of accumulated depreciation, came to 65,932 thousand of euro as of December 31, 2009, marking a decrease of 10,978 thousand of euro compared to the previous year.

(thousands of euro)

Net book value	Land	Building	Plant and machinery	Assets under construction and advances	Total
December 31, 2008	3,610	29,219	35,966	2,896	71,691
Restatement 2008		326	4,893		5,219
December 31, 2008 restated	3,610	29,545	40,859	2,896	76,910
Additions	42	191	1,554	5,454	7,241
Disposals	0	0	(33)	0	(33)
Reclassifications	(85)	969	2,742	(3,626)	0
Reclassifications to assets held for sale	0	(846)	(153)	0	(999)
Depreciation	0	(1,737)	(9,770)	0	(11,507)
Write-downs	0	(46)	(4,868)	(140)	(5,054)
Revaluation	0	0	0	0	0
Translation differences	(75)	(150)	(322)	(79)	(626)
December 31, 2009	3,492	27,926	30,009	4,505	65,932
December 31, 2008 restated					
Historical cost	3,610	46,463	145,763	2,896	198,732
Accumulated depreciation and write-downs	0	(16,918)	(104,904)	0	(121,822)
Net book value	3,610	29,545	40,859	2,896	76,910
December 31, 2009					
Historical cost	3,492	46,627	149,551	4,645	204,315
Accumulated depreciation and write-down	0	(18,701)	(119,542)	(140)	(138,383)
Net book value	3,492	27,926	30,009	4,505	65,932

(thousands of euro)

Net book value	Land	Building	Plant and machinery	Assets under construction and advances	Total
December 31, 2007	1,571	25,861	30,183	2,702	60,317
Additions	108	2,627	6,536	1,779	11,050
Disposals	(52)	0	(193)	0	(245)
Reclassifications	0	121	1,986	(1,988)	119
Change in consolidation area	1,849	2,264	10,497	336	14,946
Depreciation	0	(1,474)	(8,408)	0	(9,882)
Write-downs	0	0	(26)	0	(26)
Translation differences	134	146	284	67	631
December 31, 2008 restated	3,610	29,545	40,859	2,896	76,910
December 31, 2007					
Historical cost	1,571	39,704	119,619	2,702	163,596
Accumulated depreciation and write-downs	0	(13,843)	(89,436)	0	(103,279)
Net book value	1,571	25,861	30,183	2,702	60,317
December 31, 2008 restated					
Historical cost	3,610	46,463	145,763	2,896	198,732
Accumulated depreciation and write-downs	0	(16,918)	(104,904)	0	(121,822)
Net book value	3,610	29,545	40,859	2,896	76,910

It has to be noted that there were no outstanding finance lease agreements for property, plant and equipment held by the Group as of December 31, 2009.

Investments in property, plant and equipment amounted to 7,241 thousand of euro in 2009.

The increase in "Plant and machinery" consisted chiefly of investments undertaken to acquire new machinery and build new production lines for use by the Industrial Applications and Shape Memory Alloys businesses, as well as the investments undertaken by the Parent Company to acquire new laboratory instruments.

The increase in "Assets under construction and advances" is primarily attributable to investments aimed at completing the new industrial building at the Avezzano production facility.

Reclassifications to assets held for sale refer to the property, plant and equipment of the subsidiary SAES Getters America, Inc. in the amount of 685 thousand of euro. As part of the previously mentioned restructuring plan, the U.S. subsidiary will engage solely in commercial activities and its building and production facilities will be disposed of. Accordingly, as of December 31, 2009 these assets have been reclassified to the specific item "Assets held for sale" pending their sale, which is scheduled to be completed in 2010. We report that these assets are carried at their book values since these are deemed representative of their fair market values.

The remaining 314 thousand of euro is associated with the tangible fixed assets of the subsidiary Opto Materials S.r.l., reclassified to assets held for sale and then sold on December 18, 2009 to Scientific Materials Europe S.r.l. (for further information, refer to Note no. 23).

The write-downs of 5,054 thousand of euro were recognized to account for the fact that the carrying amounts of assets were greater than their recoverable amounts, measured as the present value of the future cash flows deriving from the cash-generating units to which the assets belong. Please refer to Note no. 15 for further information concerning the various assumptions used in conducting impairment tests.

In further detail, write-downs refer to assets used in the optoelectronics business (2,780 thousand of euro) and the CRT business (1,883 thousand of euro), as well as other production lines no longer strategic belonging to the Parent Company and to the associate SAES Smart Materials, Inc. in the residual amount of 391 thousand of euro.

The amount of the write-down of the optoelectronics business includes the write-down of 2,175 thousand of euro recognized prior to the aforementioned sale of Opto Materials S.r.l. in order to bring the carrying amount of the assets sold into line with their fair market values, represented by the consideration paid upon sale, net of costs to sell. This write-down is included in the net income (loss) from discontinued operations (for further details, refer to Note no. 11). The remaining amount of 605 thousand of euro is associated with the other "opto" production lines owned by SAES Getters S.p.A., which were written down following the Group's decision to withdraw from this business as it was no longer deemed strategic. Through impairment testing, it was determined that the CRT business will no longer generate cash flows. Accordingly, all of the assets allocated directly to this business and owned by the Chinese associate SAES Getters (Nanjing) Co., Ltd. were written down.

15. Intangible assets, net

Intangible assets, net of accumulated amortization, came to 44,038 thousand of euro as of December 31, 2009, marking a decrease of 10,374 thousand of euro compared to the previous year.

(thousands of euro)

Net book value	Goodwill	Research and development costs	Industrial and other patents rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under development and advances	Total
December 31, 2008	46,619	110	788	954	2,630	3,861	54,962
Restatement 2008	(11,185)				10,635		(550)
December 31, 2008 restated	35,434	110	788	954	13,265	3,861	54,412
Additions	0	0	39	918	15	46	1,018
Disposals	0	0	0	0	0	0	0
Reclassifications	0	0	10	3,819	(10)	(3,819)	0
Amortization	0	(37)	(365)	(354)	(2,819)	0	(3,575)
Write downs	(4,091)	0	0	(2,335)	0	0	(6,426)
Revaluations	0	0	0	0	0	0	0
Translation differences	(980)	0	(15)	(35)	(358)	(3)	(1,391)
December 31, 2009	30,363	73	457	2,967	10,093	85	44,038
December 31, 2008 restated							
Historical cost	36,623	183	3,862	6,625	20,439	4,524	72,256
Accumulated amortization and write downs	(1,189)	(73)	(3,074)	(5,671)	(7,174)	(663)	(17,844)
Net book value	35,434	110	788	954	13,265	3,861	54,412
December 31, 2009							
Historical cost	35,193	183	3,840	10,951	19,673	748	70,588
Accumulated amortization and write downs	(4,830)	(110)	(3,383)	(7,984)	(9,580)	(663)	(26,550)
Net book value	30,363	73	457	2,967	10,093	85	44,038

(thousands of euro)

Net book value	Goodwill	Research and development costs	Industrial and other patents rights	Concessions, licenses, trademark and similar rights	Other intangible assets	Assets under development and advances	Total
December 31, 2007	2,110	146	431	918	648	1,897	6,150
Additions	0	0	281	89	48	2,452	2,870
Disposals	0	0	0	(27)	(42)	0	(69)
Reclassifications	488	0	0	(83)	(36)	(488)	(119)
Change on consolidation area	31,677	0	256	276	13,470	0	45,679
Amortization	0	(36)	(209)	(134)	(953)	0	(1,332)
Write downs	(358)	0	0	(174)	0	0	(532)
Revaluations	0	0	0	0	0	0	0
Translation differences	1,517	0	29	89	130	0	1,765
December 31, 2008 restated	35,434	110	788	954	13,265	3,861	54,412
December 31, 2007							
Historical cost	2,938	183	2,109	5,645	6,583	2,548	20,006
Accumulated amortization and write downs	(828)	(37)	(1,678)	(4,727)	(5,935)	(651)	(13,856)
Net book value	2,110	146	431	918	648	1,897	6,150
December 31, 2008							
Historical cost	36,623	183	3,862	6,625	20,439	4,524	72,256
Accumulated amortization and write downs	(1,189)	(73)	(3,074)	(5,671)	(7,174)	(663)	(17,844)
Net book value	35,434	110	788	954	13,265	3,861	54,412

The increase in "Concessions, licenses, trademarks and similar rights" was due to the completion and bringing on-stream of the Group's new IT system, implementation activity for which had begun in previous years and was completed in 2009.

Owing to changes to the Group's structure in response to shifts in economic scenarios and the decision not to implement this IT system at all foreign associates as called for by the initial project, it was decided to recognize a partial write-down of said asset in 2009 in the amount of 2,313 thousand of euro.

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 amortized; rather, its recoverable value is periodically reviewed on the basis of the expected cash flows of the relative Cash-Generating Unit (impairment testing).

Goodwill

The following table shows changes in "Goodwill" and specifies the Cash-Generating Unit to which it is allocated:

(thousands of euro)

	December 31, 2008	Restatement 2008	December 31, 2008 restated	Write-downs	Translation differences	December 31, 2009
Information Displays	652		652	(652)		0
Industrial Applications	983		983	(39)		944
Shape Memory Alloys	44,984	(11,185)	33,799	(3,400)	(980)	29,419
Not allocated	0		0			0
Total	46,619	(11,185)	35,434	(4,091)	(980)	30,363

As stated in Note no. 3, the amount of goodwill as of December 31, 2008 was provisional. This amount was revised in 2009 following the conclusion of the purchase price allocation for the subsidiary Memry Corporation.

The write-downs recognized in 2009, which totalled 4,091 thousand of euro, include the impairment loss (691 thousand of euro) recognized in the first half of 2009 on the goodwill that arose from the initial consolidation of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. Said write-down is justified by the significant loss of market share by the Chinese firm due to the structural crisis in the Information Displays business.

The management observed a decrease in the company's expected cash flows and, while continuing to apply the same assumptions for the purposes of impairment testing (see the following paragraph), determined that it was necessary to write down the residual goodwill.

The additional write-down of 3,400 thousand of euro refers to the goodwill allocated to the Shape Memory Alloys Business Unit and derives from the fact that its carrying amount is not justified by the present value of the expected future cash flows of the Cash-Generating Unit to which it belongs.

The following table shows the gross book values of goodwill and accumulated write-downs for impairment from January 1, 2004 to December 31, 2009 and December 31, 2008:

(thousands of euro)

	2009			2008		
	Gross value	Write downs	Net book value	Gross value	Write downs	Net book value
Information Displays	1,456	(1,456)	0	1,456	(804)	652
Industrial Applications	1,007	(63)	944	1,007	(24)	983
Shape Memory Alloys (*)	32,819	(3,400)	29,419	33,799	0	33,799
Not allocated	358	(358)	0	358	(358)	0
Total	35,640	(5,277)	30,363	36,620	(1,186)	35,434

(*) The difference between the gross value as at December 31, 2008 and the gross value as at December 31, 2009 is related to the conversion differences on the goodwill in local currency booked in the financial statements of the foreign subsidiaries.

Impairment test

In accordance with IAS 36, goodwill is not amortized, but rather is tested for impairment annually or more frequently where specific events or circumstances indicate that it may have become impaired. For the purposes of impairment testing, goodwill is allocated to Cash-Generating Units (CGUs) or groups of units, which may be no larger than the segments identified for Report on operationsing purposes pursuant to IFRS 8. In particular, the CGUs identified by the SAES Getters Group coincide with its operating segments, as indicated in Note no. 13.

The general decrease in demand and the present conditions of economic uncertainty led to a decline in business in 2009 associated with some signs of potential impairment. Accordingly, the Group conducted its impairment test not only on goodwill, but also on all tangible and intangible assets as of December 31, 2009.

Impairment testing consists in estimating the recoverable amount of each Cash-Generating Unit (CGU) and comparing it with the net carrying amount of the associated assets, including goodwill.

The recoverable amount is estimated by determining value in use, which corresponds to the present value of the future cash flows that are expected from each Cash-Generating Unit according to the most recent three-year plans prepared by the top management for the period 2010-2012.

In particular, on the basis of the plans approved by the Board of Directors in the first half of the year, given the dramatic changes in the macroeconomic scenario resulting from the current crisis, the top management revised its three-year estimates in the second half of the year. In making these projections, the management employed many assumptions, including an estimate of future sales volumes, price trends, gross margin, operating costs, changes in working capital and investments.

Expected sales growth is based on the management's projections. The margins and operating costs of the various businesses were estimated on the basis of historical data, adjusted to account for the results expected from the rationalization of production facilities, the savings already achieved during the current year and projected market price trends.

The value of investments and working capital was determined according to various factors, such as expected future growth rates and the product development plan.

The discount rate applied in discounting cash flows represents the estimate of the expected rate of return of each Cash-Generating Unit on the market. Short-term interest rates, the long-term government bond yield curve and the Group's equity structure were taken into consideration when selecting an appropriate discount rate to be applied to

future cash flows. The weighted average cost of capital (WACC) applied to future cash flows was estimated to be 10.5%, deemed representative of all of the Group's CGUs. The WACC used is gross of taxes, in accordance with the cash flows employed.

The model used to discount future cash flows considers a terminal value, which reflects the residual value that each Cash-Generating Unit is expected to generate beyond the three-year period covered by the plans.

This value was estimated by conservatively assuming a growth rate equal to zero and a temporal horizon deemed representative of the estimated duration of the various businesses.

In this first grade of testing, it was determined that the goodwill allocated to the SMA CGU had been impaired by 3.4 million euro and the assets directly attributable to the CRT business by 1.9 million euro, for a total write-down of 5.3 million euro, recognized in the 2009 Financial Statements.

A sensitivity analysis of one-half of a percentage point of the WACC value employed by the Group shows that the total amount of the write-down would fall within a range of a minimum of 3.9 million euro and a maximum of 6.5 million euro.

A second grade of testing was also conducted by comparing the total recoverable amount of all business units, where the recoverable amount is also considered to include non-allocatable costs associated with corporate functions, in addition to income statement figures not allocatable to the primary segments.

This second grade of testing did not identify the need for any further write-downs.

The estimation of the recoverable amounts of the various Cash Generating Units required the management to use its discretion and prepare estimates.

Accordingly, the Group cannot guarantee that impairment losses will not be incurred in future periods.

Various factors, including those associated with the future development of the current difficult market scenario, could require asset values to be re-determined in future periods. The Group will constantly monitor the circumstances and events that could require further testing of impairment losses.

16. Deferred tax assets and deferred tax liabilities

The net balance of deferred tax assets and deferred tax liabilities is negative and equal to 1,225 thousand of euro as of December 31, 2009, substantially in line with the previous year.

The details of this item are provided below:

(thousands of euro)

	December 31, 2009	December 31, 2008 restated	Difference
Deferred tax assets	5,227	5,082	145
Deferred tax liabilities	(6,452)	(6,975)	523
Total	(1,225)	(1,893)	668

Since deferred tax assets and liabilities have been recognized in the Consolidated Financial Statements by setting off the figures attributable to the various legal entities against one another, the following table shows deferred tax assets and liabilities before the offsetting process:

(thousands of euro)

	December 31, 2009	December 31, 2008 restated	Difference
Deferred tax assets	10,362	12,358	(1,996)
Deferred tax liabilities	(11,587)	(14,251)	2,664
Total	(1,225)	(1,893)	668

The following tables provide a breakdown of the temporary differences that comprise deferred tax assets and liabilities by their nature, as compared with the figures for the previous year.

(thousands of euro)

	2009		2008	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Intercompany profit eliminations	6,385	1,801	10,398	3,152
Differences between accounting and fiscal principles on depreciation and write downs	12,441	3,568	7,621	2,259
Receivables write downs	388	138	371	133
Inventories write downs	2,459	696	2,559	871
Taxed provisions	765	290	1,084	426
Cash deductibles expenses	4,788	1,520	6,177	1,922
Other temporary differences	2,773	1,446	2,194	1,449
Deferred tax assets on losses that can be carried forward	2,654	903	6,344	2,146
Deferred tax assets		10,362		12,358

The decrease in deferred tax assets is primarily explained by the use of the deferred tax assets recognized by the subsidiary Memry Corporation on prior-year tax losses to offset current taxes for the year and the lesser tax effect arising from the deletion of the intra-Group inventory margin following the decline in intercompany sales.

This effect was partially offset by the deferred tax assets recognized in 2009 on the write-downs recognized in the Parent Company's financial statements.

The Group had 68,395 thousand of euro in tax losses eligible to be carried forward as of December 31, 2009, most of which were attributable to the Luxembourg subsidiary, the Parent Company and some of the U.S. subsidiaries (tax losses eligible to be carried forward came to 55,918 thousand of euro in 2008). The tax losses eligible to be carried forward that were taken into account when determining deferred tax assets came to 2,654 thousand of euro.

(thousands of euro)

	2009		2008	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Tax due on distribution of earnings accumulated by subsidiaries	(36,106)	(2,744)	(53,969)	(3,272)
Difference between accounting and fiscal principles on depreciation	(19,575)	(7,120)	(22,461)	(8,881)
IAS 17	(3,684)	(1,042)	(3,896)	(1,097)
IAS 19	(1,236)	(339)	(1,339)	(383)
Other temporary differences	(1,527)	(342)	(2,660)	(618)
Deferred tax liabilities		(11,587)		(14,251)

The deferred tax liabilities recorded in the Consolidated Financial Statements as of December 31, 2009 include not only a provision allocated to account for taxes due in the event of the distribution of the net income and reserves of subsidiaries (excluding net income and reserves the distribution of which is not deemed likely in the foreseeable future), but also the temporary differences on the plus-values identified during the purchase price allocation for the U.S. companies acquired in 2008.

The decrease compared to the previous year is due both to the lesser allocation of deferred tax liabilities on the distributable net income and reserves of subsidiaries to account for the decrease in the net income earned by subsidiaries and to the release of deferred tax liabilities recognized during the purchase price allocation in the financial statements of the U.S. companies to account for depreciation and amortization for the period.

17. Inventory

Inventory came to 20,387 thousand of euro as of December 31, 2009. The item was down by 6,372 thousand of euro compared to the previous year.

The following table shows the breakdown of inventory as of December 31, 2009 and December 31, 2008:

(thousands of euro)

	December 31, 2009	December 31, 2008	Difference
Raw materials, auxiliary materials and spare parts	8,069	9,853	(1,784)
Work in progress and semifinished goods	7,689	9,074	(1,385)
Finished products and goods	4,629	7,832	(3,203)
Total	20,387	26,759	(6,372)

The decrease compared to December 31, 2008 was essentially due to improved inventory management, which led to the use of the stock accumulated by Group companies at the end of the previous year, and to the slowdown in procurement activities, in line with the decline in production due to the fall in sales.

Inventory is stated net of the inventory allowance, which showed the following changes in 2009:

(thousands of euro)

	December 31, 2008	Accrual	Utilization	Reclassifi- cation	Translation differences	December 31, 2009
Inventory allowance	4,899	1,062	(528)	(140)	(118)	5,175

The column "Reclassification" (140 thousand of euro) refers to the inventory allowance of the subsidiary Opto Materials S.r.l., which was reclassified to assets held for sale during the year. The total value of its inventory, net of the inventory allowance, which had been disposed of in its entirety as of December 31, 2009, came to 444 thousand of euro.

18. Trade receivables

Trade receivables, net of the bad debt provision, came to 18,825 thousand of euro as of December 31, 2009 and were down by 873 thousand of euro compared to the previous year.

Trade receivables do not bear interest and generally come due after 30-90 days.

The following table shows the changes in the item:

(thousands of euro)

	December 31, 2009			December 31, 2008		
	Gross value	Bad debt provision	Net book value	Gross value	Bad debt provision	Net book value
Trade receivables	19,244	(419)	18,825	20,111	(413)	19,698

The bad debt provision showed the following changes during the year:

(thousands of euro)

	2009	2008
Opening balance	413	629
Provision (reversal)	141	(94)
Utilization	(135)	(136)
Translation differences	0	14
Closing balance	419	413

The following table provides a breakdown of trade receivables by those not yet due and past due as of December 31, 2009, as compared with the previous year:

(thousands of euro)

	Total	Not yet due	Due not written down					Due written down
			less than 30 days	30 - 60 days	60 - 90 days	90 - 180 days	more than 180 days	
2009	19,244	12,761	3,689	809	176	852	538	419
2008	20,111	12,613	2,320	3,539	421	728	77	413

Receivables past due by more than 180 days, which amounted to 538 thousand of euro and represent a negligible percentage of total trade receivables, are constantly monitored and have not been written down inasmuch as they are believed to be recoverable.

19. Tax consolidation receivables from controlling company/tax consolidation payables to controlling company

Since December 31, 2005, SAES Getters S.p.A., SAES Advanced Technologies S.p.A., and, since 2007, SAES Opto S.r.l., have participated in the tax consolidation program with S.G.G. Holding S.p.A., which directly controls SAES Getters S.p.A., by electing for Group taxation in accordance with article 117 of the Consolidated Income Tax Act. This option was extended for an additional three-year period by notice sent to the Italian Revenue Agency by S.G.G. Holding S.p.A. on June 12, 2008. The item "Tax consolidation receivables from Controlling Company/Tax consolidation payables to Controlling Company" includes the net balance of tax receivables/payables that the Group's Italian companies have accrued to/from the Controlling Company S.G.G. Holding S.p.A. as of December 31, 2009.

It should be noted that tax consolidation receivables and payables from and to the Controlling Company for tax consolidation have been set off against one another. The receivables due beyond one year have been classified among non-current assets.

20. Prepaid expenses, accrued income and other

This item, which includes current non-trade receivables from third parties, along with prepaid expenses and accrued income, showed a balance of 6,033 thousand of euro as of December 31, 2009, compared with 7,439 thousand of euro as of December 31, 2008. A breakdown of the item is provided below:

(thousands of euro)

	December 31, 2009	December 31, 2008	Difference
Income tax and other tax receivables	2,461	1,715	746
VAT receivables	1,445	2,982	(1,537)
Social security receivables	68	138	(70)
Personnel receivables	33	56	(23)
Receivables for public grant	810	702	108
Other receivables	295	384	(89)
Total other receivables	5,112	5,977	(865)
Accrued income	66	108	(42)
Prepaid expenses	855	1,354	(499)
Total prepaid expenses and accrued income	921	1,462	(541)
Total prepaid expense, accrued income and other	6,033	7,439	(1,406)

As of December 31, 2009, the item "Income tax and other tax receivables" included the tax credit of 1,328 thousand of euro claimed by SAES Getters Japan Co., Ltd. for which an application for a refund was submitted to local authorities after the Japanese subsidiary was put on liquidation.

This item also includes the tax credit for research and development activities under the 2007 Budget Act (article 1, paragraphs 280-283, of Law 296 of December 27, 2006), recognized by the Parent Company in 2009, in the amount of 294 thousand of euro. The credit outstanding as of December 31, 2008 (841 thousand of euro) was set off during 2009.

The significant change in "VAT receivables" was primarily due to refunds obtained by the Group's Italian companies.

The item "Receivables for public grants" consists of receivables accrued to the Parent Company as of December 31, 2009 (534 thousand of euro), primarily in connection with grants for ongoing research projects, and receivables claimed by the subsidiary SAES Advanced Technologies S.p.A. from the Ministry of the Treasury, Budget and Economic Planning (276 thousand of euro).

21. Derivative financial instruments evaluated at fair value

The asset and liability items include, respectively, the assets and liabilities arising from the measurement at fair value of hedging contracts against the exposure to the variability of future cash flows arising from sales transactions denominated in currencies other

than the euro expected during the current year and the coming year, as well as the measurement at fair value of interest rate swap (IRS) contracts. The purpose of these contracts is to protect the Group's margins from the fluctuation of exchange rates and interest rates.

In detail, the Group enters into forward contracts on the U.S. dollar and Japanese yen correlated with current and future receivables associated with sales transacted in U.S. dollars and Japanese yen in order to hedge against the risk of the fluctuation in exchange rates.

There were no contracts outstanding on the U.S. dollar as of December 31, 2009. After year-end, the Group entered into new contracts that will extend from February to December 2010 (for further information, please refer to the section "Subsequent Events" of the Report on Operations).

The average forward exchange rate for contracts on the Japanese yen (which had a total notional value of JPY 45 million as of December 31, 2009) is 128.98 yen to the euro. These contracts will extend through the first quarter of 2010.

The following table provides a breakdown of the forward contracts entered into and their fair value as of December 31, 2009 and December 31, 2008:

Currency	December 31, 2009		December 31, 2008	
	Notional amount in local currency	Fair value as of December 31, 2009 (thousands of euro)	Notional amount in local currency	Fair value as of December 31, 2008 (thousands of euro)
USD	0	0	5,400,000	(205)
JPY	45,000,000	11	1,040,000,000	(691)
Total		11		(896)

The Group has also entered into derivatives contracts aimed at fixing the interest rate on some loans denominated in foreign currencies. The Group had three outstanding Interest Rate Swap (IRS) contracts as of December 31, 2009. The details of these contracts are provided below:

Contracts entered into in 2008

- an IRS with a notional amount of USD 10 million entered into by SAES Smart Materials, Inc. on March 13, 2008 and maturing on May 31, 2012; the company pays a fixed rate of 3.65% and receives a floating rate, the six-month USD LIBOR BBA, from the bank. As of December 31, 2009 the fair value of the contract stood at a negative 356 thousand of euro.
- an IRS with a notional amount of USD 1 million entered into by Spectra-Mat, Inc. on July 1, 2008 and maturing on November 30, 2010; the company pays a fixed rate of 4.36% and receives a floating rate, the six-month USD LIBOR BBA, from the bank. As of December 31, 2009 the contract's fair value stood at a negative 26 thousand of euro.

Contracts entered into in 2009

- an IRS with a notional amount of USD 12 million entered into by Memry Corporation on April 9, 2009 and maturing on December 31, 2014; the company pays a fixed rate of 3.03% and receives a floating rate, the three-month USD LIBOR BBA, from the bank. As of December 31, 2009 the contract's fair value stood at a negative 12 thousand of euro.

The following table provides a breakdown of the Interest Rate Swap contracts entered into and their fair values as of December 31, 2009 and December 31, 2008:

(thousands of euro)

Description	Notional amount (US dollars)	December 31, 2009		December 31, 2008	
		Mark to Market (thousands of dollars)	Mark to Market (thousands of euro)	Mark to Market (thousands of dollars)	Mark to Market (thousands of euro)
IRS with maturity date November 30, 2009, executed by SAES Smart Materials, Inc. with reference to the loan of \$20 million.	10,000,000	n.a.	n.a.	(115)	(83)
IRS with maturity date May 31, 2012 executed by SAES Smart Materials, Inc. with reference to the loan of \$20 million.	10,000,000	(513)	(356)	(592)	(425)
IRS with maturity date November 30, 2010 executed by Spectra-Mat, Inc. with reference to the loan of \$3 million.	1,000,000	(37)	(26)	(40)	(29)
IRS with maturity date December 31, 2014, executed by Memry Corporation with reference to the loan of \$30.5 million.	12,000,000	(17)	(12)	n.a.	n.a.
Total		(567)	(394)	(747)	(537)

The Group enters into derivatives contracts with various counterparties, primarily leading financial institutions.

The Group uses the following hierarchy to determine and document the fair values of its financial instruments:

- Level 1 – (unadjusted) prices listed on an active market for identical assets or liabilities;
- Level 2 – other techniques for which all inputs with a significant effect on the fair value reported may be observed, either directly or indirectly;
- Level 3 – techniques that use inputs with a significant effect on the fair value reported that are not based on observable market data.

As of December 31, 2009, all of the derivative instruments held by the Group belonged to Level 2. Accordingly, their fair value has been determined on the basis of market data, such as interest rate curves and exchange rates.

No instruments were transferred from one level to another during the year.

22. Cash and cash equivalents

The following table shows a breakdown of the item as of December 31, 2009 and December 31, 2008:

(thousands of euro)

	Dec. 31, 2009	Dec. 31, 2008	Difference
Cash and cash equivalents	22,311	37,289	(14,978)
Cash on hand	13	29	(16)
Total	22,324	37,318	(14,994)

The item "Cash and cash equivalents" consists of short-term deposits with leading financial institutions denominated primarily in U.S. dollars, Chinese renminbi and euro.

As of December 31, 2009, the Group had access to lines of credit of 68 million euro, of which 31 million euro was intended to fund possible acquisitions and is set to expire on May 31, 2010.

23. Assets and liabilities held for sale

The changes occurred during the year are shown below:

(thousands of euro)

	Dec. 31, 2008 restated	Reclassifications	Increase	Decrease	Translation differences	Dec. 31, 2009
Assets held for sale	17,638	1,646	95	(19,906)	1,212	685
Liabilities held for sale	178	59	276	(525)	12	0

As of December 31, 2009, "Assets held for sale" amounted to 685 thousand of euro and included the property, plant and equipment of the subsidiary SAES Getters America, Inc., reclassified to this item during the year.

As part of the previously announced restructuring plan, the U.S. subsidiary will engage solely in commercial activities and its building and production facilities will be disposed of. Accordingly, these assets have been reclassified to the item pending their disposal, which is expected to occur in 2010.

The item "Reclassifications" also includes the assets and liabilities held for sale of the subsidiary Opto Materials S.r.l., which was sold in 2009 for consideration of 880 thousand of euro.

As of December 31, 2008, assets and liabilities held for sale were solely those of the polymer division of Memry Corporation, sold on February 9, 2009 for consideration of 18,501 thousand of euro.

Putnam Plastics – polymer division of Memry Corporation

Since Putnam Plastics' assets and liabilities pertain to a recent business combination, they were recognized at their fair value, net of costs to sell, as of December 31, 2008. Following adjustments to the price of sale after the date of disposal, the value of assets/liabilities held for sale was adjusted, affecting both the financial position figures (and therefore also goodwill - Note no. 15) as of the date of acquisition (September 29, 2008) and the figures presented on the Financial Statements as of December 31, 2008.

The following table shows a summary of these effects as of December 31, 2008:

(thousands of euro)

	Dec. 31, 2008 restated	Dec. 31, 2008
Non current assets	15,073	14,875
Current assets	2,565	2,565
Total assets held for sale	17,638	17,440
Current assets	(178)	(177)
Total liabilities held for sale	(178)	(177)
Net assets held for sale	17,460	17,263

It has to be noted that the consideration, net of costs to sell, collected in 2009 following the closing of the sale, was equal to the net value of the assets and liabilities held for sale, without any effect on the income statement for the year.

Opto Materials S.r.l.

The following table provides the details of the assets and liabilities reclassified during the year and the assets and liabilities held for sale and sold on December 18, 2009:

(thousands of euro)

Tangible assets	314
Inventory	444
Receivables and prepaid expenses	180
Cash and cash equivalents	1
Assets held for sale	939
Provisions and other current liabilities	59
Liabilities held for sale	59
Assets (liabilities) sold, net	880

The amount of these assets and liabilities was adjusted before sale at their fair value, represented by consideration for sale, net of costs to sell, resulting in a write-down of the company's assets for 2,175 thousand of euro, which was recognized under "Net income (loss) on discontinued operations".

24. Group shareholders' equity

As of December 31, 2009, Group shareholders' equity amounted to 98,851 thousand of euro, down by 43,505 thousand of euro compared to December 31, 2008. The changes that occurred during the period are illustrated in the statement of changes in shareholders' equity.

Capital stock

As of December 31, 2009, capital stock, fully subscribed and paid-up, amounted to 12,220 thousand of euro 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 was unchanged compared to December 31, 2008.

The implicit par value per share was 0.537569 euro as of December 31, 2009, unchanged compared to the previous year.

Please refer to the Corporate Governance Report for all of the information required by article 123-*bis* of the Consolidated Finance Act.

All of the Parent Company's securities are listed on the segment of the Mercato Telematico Azionario known as "STAR" (Securities with High Requirements), dedicated to small-caps and mid-caps that meet specific requirements with regard to reporting transparency, 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 subscribed in capital issues.

The increase of 1,461 thousand of euro compared to December 31, 2008 is related to the portion of the reserve for treasury shares in portfolio that has become distributable. Please refer to the comment in the paragraph entitled "Other reserves and retained earnings" for further information.

Treasury shares

The change in "Treasury shares" of 1,461 thousand of euro was due to the grant, without consideration, of 100,000 ordinary shares held by the Company to Dr Ing. Paolo della Porta as a career bonus.

The granting of these shares, approved by the Shareholders' Meeting on April 21, 2009, resulted in a decrease in the number of ordinary shares in portfolio from 700,000 to 600,000. Conversely, the number of savings shares in portfolio remained unchanged compared to December 31, 2008 (82,000).

The following table shows the treasury shares in portfolio as a percentage of the total shares in their respective classes and of Company's overall capital stock as of December 31, 2009 in accordance with article 2357 of the Italian Civil Code:

	Dec. 31, 2009	Dec. 31, 2008
no. of ordinary shares	600,000	700,000
% on ordinary shares	3.93%	4.58%
% on capital stock	2.64%	3.1%
no. of savings shares	82,000	82,000
% on savings shares	1.10%	1.10%
% on capital stock	0.36%	0.36%

As required by International Accounting Standards, the total purchase cost of the treasury shares (10,177 thousand of euro) was subtracted directly from shareholders' equity.

The following table shows the market values of the treasury shares in portfolio according to market bid prices as of December 30, 2009 and March 1, 2010.

(thousands of euro)

	Dec. 30, 2009	March 1, 2010
Official price ordinary shares	6.070	5.819
Official price savings shares	5.379	5.136
Total value ordinary shares in portfolio	3,642,000	3,491,400
Total value savings shares in portfolio	441,078	421,152

Legal reserve

This item corresponds to the Parent Company's legal reserve of 2,444 thousand of euro as of December 31, 2009 and was unchanged compared to December 31, 2008, since the reserve had reached the legal limit.

Other reserves and retained earnings

This item includes:

- the reserves (totalling 2,729 thousand of euro) formed from the positive monetary revaluation balances resulting from the application of Law no. 72 of March 19, 1983 (1,039 thousand of euro) and Law no. 342 of November 21, 2000 (1,690 thousand of euro) by the Group's Italian companies. Pursuant to Law no. 342 of 2000, the revaluation reserve has been stated net of the associated substitute taxes of 397 thousand of euro;
- the other reserves of subsidiaries, retained earnings, and other shareholders' equity items of Group companies not eliminated during the consolidation process;
- the reserve for treasury shares in portfolio, which stood at 10,177 thousand of euro as of December 31, 2009.

The change in the "Other reserves and retained earnings" includes the distribution to shareholders of the 2008 dividend, approved by the Parent Company's shareholders' meeting in the amount of 17,678 thousand of euro. The remainder, which pertains to the portion of the dividend associated with treasury shares (627 thousand of euro), has been allocated directly to the retained earnings reserve as an increase in the Group's shareholders' equity.

The remaining change (a decrease of 2,059 thousand of euro) compared to December 31, 2008 was due to the release of the reserve for treasury shares in portfolio following the free stock grant mentioned above (in the amount of 1,461 thousand of euro) and the difference between the carrying amount of these treasury shares and their market value as calculated on the grant date (598 thousand of euro).

Other components of equity

The item includes the exchange differences arising from the translation of financial statements in foreign currencies. The translation reserve had a negative balance of 6,054 thousand of euro as of December 31, 2009, marking a decrease of 426 thousand of euro from the negative balance of 5,661 thousand of euro reported as of December 31, 2008. This decrease was due to the overall impact on consolidated shareholders' equity of the conversion into euro of the financial statements of foreign subsidiaries expressed in currencies other than the euro, as well as of the respective consolidation adjustments. The additional change of 33 thousand of euro may be explained by the release to profit and loss of the translation reserve related to SAES Getters Technical Service (Shanghai) Co., Ltd., which was liquidated in 2009.

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 of January 1, 2004. Consequently, the translation reserve includes only the translation gains or losses generated after the date of transition to IASs/IFRSs.

The reconciliation between the net income and shareholders' equity of SAES Getters S.p.A. and the consolidated net income and consolidated shareholders' equity as of December 31, 2009 and December 31, 2008 is set out below:

(thousands of euro)

	December 31, 2009		December 31, 2008 restated	
	Net income	Shareholders' equity	Net income	Shareholders' equity
SAES Getters S.p.A. (Group Parent Company)	(1,383)	83,603	26,398	99,375
Difference between subsidiaries' shareholders equity and the book value of the related investements		19,172		47,693
Net profit (losses) of consolidated subsidiaries net of dividends distributed and investment write-downs	(25,702)		(8,988)	
Elimination of profit arising from intercompany transaction, net of the related tax effect	1,643	(2,920)	434	(4,563)
Accrual of deferred taxes on equity distributable of consolidated subsidiaries	528	(2,744)	1,292	(3,272)
Other adjustments	(1,383)	1,740	224	3,123
Consolidated net income and shareholders' equity	(26,297)	98,851	19,360	142,356

25. Financial debt

As of December 31, 2009, financial debt came to 37,443 thousand of euro and was up by 17,833 thousand of euro compared to the previous year, primarily owing to the conversion to medium/long term of the bridge loan already contracted by Memry Corporation as of December 31, 2008 and classified among "Bank overdraft".

The following table shows the breakdown of debt by contractual maturity. It should be noted that debt with maturity of less than one year is included among the "Current portion of long-term debt".

(thousands of euro)

	Dec. 31, 2009	Dec. 31, 2008	Difference
Less than 1 year	24,730	2,795	21,935
Current portion of long term debt	24,730	2,795	21,935
Between 1 and 2 years	3,602	3,688	(86)
Between 2 and 3 years	3,016	3,706	(690)
Between 3 and 4 years	2,545	3,113	(568)
Between 4 and 5 years	2,314	2,635	(321)
Over 5 years	1,236	3,673	(2,437)
Non current financial debt	12,713	16,815	(4,102)
Total	37,443	19,610	17,833

The item "Financial debt" consists primarily of loans contracted by the U.S. companies, the details of which are provided below.

In detail, the item includes 12,743 thousand of euro associated with the loan agreement in U.S. dollars entered into by the subsidiary SAES Smart Materials, Inc. during 2008. Said agreement calls for repayment in fixed half-yearly principal instalments

(beginning on November 30, 2009), plus interest calculated on the half-yearly U.S. dollar Libor benchmark. The rate, including the spread, came to 1.60% as of December 31, 2009.

It should be noted that the loan agreement contains covenants, including in particular compliance with financial ratios (calculated on Company figures) such as net debt/ EBITDA, net debt/shareholders' equity, and EBITDA/financial expenses, at least two covenants out of three must be met at the end of each fiscal year. In the event of non-compliance, the interest-rate spread will be increased by 0.10% for the first six months. If default continues beyond six months, the spread will be increased by 2% and the bank may request repayment of the loan if the Group fails to rectify its economical and financial position.

The following table illustrates covenants as of December 31, 2009:

	Covenant	December 31, 2009
Net financial position / EBITDA	≤ 6	7.1
Net financial position / Net equity	≤ 2	2.03
EBITDA / Financial expenses	≥ 1	2.3

As shown by the table, the covenants had not been complied with as of December 31, 2009 due to the extraordinary expenses that penalized the Company's results. However, the debt was not reclassified as current since the Group intends to recapitalize the Company by June 2010 in order to remedy the default.

The item also includes 1,621 thousand of euro associated with the loan denominated in U.S. dollars contracted by Spectra-Mat, Inc. in May 2008. The loan agreement calls for repayment in fixed half-yearly principal instalments (beginning on May 29, 2009), plus interest calculated on the half-yearly U.S. dollar Libor benchmark. The rate, including the spread, came to 1.28% as of December 31, 2009.

It should be noted that the loan agreement contains covenants including the achievement of annual company sales targets of no less than USD 6.5 million. This target had been met as of December 31, 2009.

	Covenant	December 31, 2009
Net sales *	> 6.500	6,517

*thousands of USD

The item "Financial debt" also includes 21,104 thousand of euro (USD 30.5 million) associated with the loan denominated in U.S. dollars contracted by Memry Corporation in January 2009 to replace the bridge loan contracted in 2008 to acquire said company. Said loan is divided into two tranches having different characteristics in terms of amount, maturity, repayment and the spreads applied:

- an "amortizing loan" tranche of USD 20.2 million, the principal of which will be repaid in half-yearly instalments, the last of which will come due on January 31, 2016; the interest rate applied to the loan is the USD Libor for a variable period with a maximum spread of 115 BPs;
- a "bullet loan" tranche of USD 10.3 million to be repaid in two instalments, due on July 31, 2016 and July 31, 2017, respectively; the interest rate applied to the loan is the USD Libor for a variable period with a maximum spread of 125 BPs.

The agreement provides for a mechanism for reducing the spread applied to the benchmark rate for both tranches according to the performance of the Group's net debt/ EBITDA ratio, as measured at the end of each year. Under said clause, the spread

applied to both tranches was decreased by 5 BPs effective June 2009.

The loan agreement also provides for financial covenants, including compliance with financial ratios (calculated on consolidated figures) such as Net Debt/Shareholders' equity, Gross Debt/EBITDA, and Consolidated Shareholders' equity amount, which are to be measured and respected at the end of each fiscal year.

Not all of the covenants had been complied with as of December 31, 2009, and the liability was thus reclassified as current inasmuch as the condition of default has rendered the loan repayable immediately.

	Covenant	December 31, 2009
Net equity *	> 120,000	98,851
Net financial position / Net equity *	≤ 1	0.2
Financial debt / EBITDA	≤ 1.5	3.3

*thousands of euro

We report that covenant values were renegotiated in 2010. Spreads were also raised and a waiver fee for waiving immediate repayment was agreed upon. Formalization of the new covenant clauses, which is currently ongoing, is expected to be completed in reasonably short time.

We further report that the Group has cash and cash equivalents and lines of credit adequate to meet a possible request for repayment.

Lastly, the item "Financial debt" includes subsidized loans provided by the special fund for applied research (1,845 thousand of euro as of December 31, 2009) issued to the Parent Company by the Ministry of Production Activities through the bank Intesa Sanpaolo S.p.A., the average interest rate on which came to 0.85% in 2009.

26. Other financial debt

Other non-current financial debt of 688 thousand of euro refers to the present value of the obligation to purchase the minority-interest stake in the subsidiary Memry GmbH. The change in the present value of the obligation compared to the previous year was recognized in the income statement under "Financial expenses".

The current portion of "Other financial debt" of 196 thousand of euro includes the Group's financial debt under contractual agreements entered into upon acquisition with the minority-interest shareholders of Nanjing SAES Huadong Vacuum Material Co., Ltd. (for further information, refer to Note no. 28).

27. Staff leaving indemnities and other employee benefits

It should be noted that this item includes liabilities to employees under both defined-contribution and defined-benefit plans existing at Group companies in accordance with contractual and legal obligations in various countries.

The following table shows a breakdown of the item and changes in the item during the year:

(thousands of euro)

	Staff leaving indemnities	Other similar obligations	Total
December 31, 2008	6,572	1,460	8,032
Provision/revaluation	1,000	807	1,807
Indemnities paid	(2,071)	(683)	(2,754)
Other movements	(296)	175	(121)
Translation differences	(10)	(44)	(54)
December 31, 2009	5,195	1,715	6,910

The amounts recognized on the income statement may be broken down as follows:

(thousands of euro)

Current service cost	1,549
Interest cost	294
Net actuarial gains (losses) recognized in the period	(36)
Plans reductions and terminations	0
Total cost	1,807

When referred to the Group's Italian companies, staff leaving indemnity consists of the estimated obligation, according to actuarial techniques, in connection with the sum to be paid out to the employees of Italian companies when employment is terminated.

Following the entry into force of the 2007 Budget Act and associated implementation decrees, the liability associated with past years staff leaving indemnity continues to be considered a defined-benefit plan and is consequently measured according to actuarial assumptions. The portion paid in to pension funds is instead considered a defined-contribution plan and is therefore not discounted.

The obligations under defined-benefit plans are measured annually by independent actuarial consultants according to the projected unit credit method, separately applied to each plan. The following table shows reconciliations of actuarial liabilities and the amounts carried on the Financial Statements as of December 31, 2009 and December 31, 2008, respectively, are shown below:

(thousands of euro)

	Dec. 31, 2009	Dec. 31, 2008
Present value of defined benefit obligations	5,640	6,960
Fair value of plan assets	0	0
Unrecognized actuarial gains (losses)	303	68
Service costs not yet recognized deriving from past obligations	0	0
Defined benefit obligations	5,943	7,028
Defined contribution obligations	967	1,004
Total staff leaving indemnities and similar obligations	6,910	8,032

The following table shows the primary assumptions employed in the actuarial assessments of defined-benefit plans as of December 31, 2009 and December 31, 2008, respectively:

	Italy	
	Dec. 31, 2009	Dec. 31, 2008
Discount rate	4.90%	4.80%
Inflation rate	2.20%	2.20%
Expected annual salary increase rate *		
- age equal or less than 40 years	3.50%	2.70%
- age more than 40 yers but equal or less than 55 years	3.50%	2.45%
- age more than 55 years	3.50%	2.20%

* factor not considered in the actuarial appraisal of staff leaving indemnities

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

	December 31, 2009	December 31, 2008	Average 2009	Average 2008
Managers	107	114	111	87
Employees and middle management	405	520	436	461
Workers	509	720	545	559
Total	1,021	1,354	1,092	1,107

The workforce amounted to 1,021 (out of which 600 were employed outside of Italy) as of December 31, 2009, marking a decrease of 333 employees compared to December 31, 2008, primarily justified by workforce-reduction activities as part of the restructuring plan that the Group is implementing. We further report that the figure as of December 31, 2008 included the employees of the polymer division of Memry Corporation (148 employees), which was sold on February 9, 2009, and the employees of Opto Materials S.r.l., the sale of which was closed on December 18, 2009 (12 employees).

The following table shows a breakdown by category of the employees of Nanjing SAES Huadong Vacuum Material Co., Ltd., consolidated on a proportional basis, according to Group's percentage ownership (51%):

	December 31, 2009	December 31, 2008	Average 2009	Average 2008
Managers	4	4	4	4
Employees and middle management	12	13	12	13
Workers	23	25	24	28
Total	39	42	40	45

28. Provisions

Provisions came to 8,821 thousand of euro as of December 31, 2009. The following table shows the composition of, and changes in, these provisions compared to the previous year:

(thousands of euro)

	December 31, 2008	Accruals	Utilizations and other movements	Translation differences	December 31, 2009
Warranty provisions on product sold	333	0	(187)	(5)	141
Bonus	2,771	1,013	(2,650)	(26)	1,108
Other provisions	1,628	6,138	(169)	(25)	7,572
Total	4,732	7,151	(3,006)	(56)	8,821

A breakdown of provisions by current and non-current portion is provided below:

(thousands of euro)

	Current provisions	Non current provisions	Total as at December 31, 2009	Current provisions	Non current provisions	Total as at December 31, 2008
Warranty provisions on product sold	0	141	141	0	333	333
Bonus	1,108	0	1,108	2,771	0	2,771
Other provisions	1,181	6,391	7,572	73	1,555	1,628
Total	2,289	6,532	8,821	2,844	1,888	4,732

The item "Bonus" consists primarily of the provision for the bonuses for the Group's employees, mainly related to U.S. companies, accrued in 2009.

The item "Other provisions" includes the present value of the obligation (5,986 thousand of euro) under the contract for consideration entered into upon acquisition with the minority-interest shareholders in the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., which calls for fixed consideration through 2013.

The provision allocated as of December 31, 2009 represented the present value of the total future obligation. Since both the amount and timing of occurrence of this obligation are uncertain, its amount was classified among provisions. The estimate of such expenses for 2010 (1,004 thousand of euro) was classified as current, whereas the non-current portion (4,982 thousand of euro) includes the estimate of expenses for the period 2011-2013.

For 2009, the expenses incurred by the Group to provide guaranteed annual consideration to minority-interest shareholders amounted to 196 thousand of euro and have been classified among "Other financial debt" since both the amount and timing of occurrence were known.

Finally, the non-current portion includes the provision allocated in previous years by the Italian subsidiary SAES Advanced Technologies S.p.A. to account for a dispute with social-security agencies regarding contribution relief enjoyed (719 thousand of euro) and the amount of the implicit obligations of Spectra-Mat, Inc. in connection with the expenses to be incurred to monitor pollution levels at the site at which it operates (523 thousand of euro).

The value of this liability has been calculated on the basis of the agreements reached with the local authorities.

29. Trade payables

Trade payables amounted to 9,774 thousand of euro as of December 31, 2009 and were down by 1,178 thousand of euro compared to December 31, 2008 as a result of both the decline in output due to falling sales and the cost-containment policy implemented by the Group.

Trade payables do not bear interest and come due within twelve months. There are no trade payables in the form of debt securities.

The following table provides a breakdown of trade payables by those not yet due and past due as of December 31, 2009, as compared with the previous year:

(thousands of euro)

	Total	Not yet due	Due				
			less than 30 days	30 - 60 days	60 - 90 days	90 - 180 days	more than 180 days
2009	9,774	6,435	1,409	1,584	62	104	180
2008	10,952	7,812	2,761	209	163	1	6

Payables past due by more than 180 days of 180 thousand of euro are claimed from the Parent Company by a supplier with which there is an ongoing dispute.

30. Other payables

The item "Other payables" includes amounts that are not strictly classified as "trade payables" and amounted to 9,990 thousand of euro as of December 31, 2009, compared to 13,284 thousand of euro as of December 31, 2008:

(thousands of euro)

	December 31, 2009	December 31, 2008	Difference
Payables to employees (vacations, wages and staff leaving etc.)	5,049	6,336	(1,287)
Social-security payables	1,544	1,621	(77)
Tax payables (excluding income taxes)	1,462	1,320	142
Other	1,935	4,007	(2,072)
Total	9,990	13,284	(3,294)

The item "Payables to employees" includes accruals for unused accumulated holiday leave, additional monthly wage instalments and wages and salaries for the month of December 2009. The decrease compared to December 31, 2008 is essentially due to the downsizing of the SAES Getters Group's workforce as part of the previously announced restructuring plan and the change in the scope of consolidation (sale of Putnam Plastics and Opto Materials S.r.l.). The number of the Group's employees fell from 1,354 as of December 31, 2008 to 1,021 as of December 31, 2009.

The item "Social-security payables" consists primarily of the payables owed by the Group's Italian companies to the INPS (Italy's social-security agency) for contributions to be paid on wages. It also includes payables to the treasury fund operated by the INPS and pension funds under the reformed staff leaving indemnity legislation.

The item "Tax payables (excluding income taxes)" consists primarily of the payables owed by the Italian companies to the Treasury in connection with withholding taxes on the wages of salaried employees and independent contractors.

Lastly, the decrease in the item "Other" was primarily due to the decline in payables for variable compensation owed to the Parent Company's Directors. In detail, Executive Directors, given the macroeconomic crisis situation, waived their right to the accrual of the severance package for Directors effective April 2009.

31. Accrued income taxes

The item consists solely of payables for taxes associated with the SAES Getters Group's foreign subsidiaries, inasmuch as the Italian companies have elected to participate in

the national tax consolidation program and the associated tax balance is included in "Tax consolidation receivables from controlling company/tax consolidation payables to controlling company" (refer to Note no. 19 for further information).

Accrued income taxes came to 1,044 thousand of euro as of December 31, 2009. The item was down by 592 thousand of euro compared to the previous year, primarily due to the Group's lesser results.

32. Bank overdraft

Bank overdrafts amounted to 4,033 thousand of euro as of December 31, 2009 and consisted primarily of short-term debt owed by the Parent Company in the form of hot money debt (4,000 thousand of euro).

As of December 31, 2008, the item, which stood at 35,928 thousand of euro, represented the value in euro of the loan issued to the U.S. associate Memry Corporation in connection with the closing of the acquisition of said company. On January 16, 2009, this loan was transformed into a medium-/long-term loan with a predefined repayment schedule, and, accordingly was classified among "Financial debt" as of December 31, 2009 (for further details, refer to Note no. 25).

33. Accrued liabilities

Accrued liabilities came to 538 thousand of euro as of December 31, 2009. The item may be broken down as follows:

(thousands of euro)

	December 31, 2009	December 31, 2008	Difference
Accrued expenses	218	468	(250)
Deferred income	320	526	(206)
Total	538	994	(456)

The item "Deferred income" includes the share of grants of competence of future periods for ongoing research activities. The decrease compared to December 31, 2008 was due to the reduction in these liabilities as the portion of grant recognized for the year.

34. Cash flow statement

Cash provided by operating activities came to 5,557 thousand of euro, compared to 33,766 thousand of euro in 2008. The decrease was primarily due to the decline in sales and non-recurring costs associated with the restructuring of the Group, only partially offset by the lower taxes paid.

Investing activity provided net cash of 11,403 thousand; instead in the previous year investing activity used net cash for an amount equal to 90,186 thousand.

The cash provided during the year was due to the sale of the polymer division of Memry Corporation and the subsidiary Opto Materials S.r.l., whereas investing activity had used cash in the previous year mainly for cash-out to acquire new companies and divisions.

Cash-out for investments in property, plant and equipment and intangible assets declined to 8,259 thousand of euro from 13,920 thousand of euro in the previous year.

The balance of financing activities is negative and equal to 31,440 thousand of euro, compared to net cash provided of 25,691 thousand of euro in the previous year. The use of cash is primarily attributable to the partial repayment of the medium-/long-term debt contracted by Memry Corporation and the distribution of dividends, partially offset by the short-term financial debt (hot money funds) contracted by the Parent Company.

The following is a reconciliation of the net cash and cash equivalents shown in the statement of financial position and the cash flow statement.

(thousands of euro)

	Dec. 31, 2009	Dec. 31, 2008
Cash and cash equivalents	22,324	37,318
Bank overdraft	(33)	-
Cash and cash equivalents, net - cash flow statement	22,291	37,318
Short-term financial debt	(4,000)	(35,928)
Cash and cash equivalents, net - statement of financial position	18,291	1,390

It should be noted that only a portion of the bank overdrafts as of December 31, 2009 were repayable on demand. The remainder, 4,000 thousand of euro, pertains to forms of hot money debt and is therefore not included in net cash and cash equivalents on the cash flow statement.

35. Financial risk management

The Group's primarily financial liabilities other than derivatives include bank loans and trade payables. The primary purpose of these liabilities is to fund the Group's operating activities.

The Group also has cash and cash equivalents and short-term deposits, as well as trade receivables originated directly in its operating activity.

The derivative instruments used by the Group as of the balance sheet date were primarily forward foreign currency contracts and Interest Rate Swaps. The purpose of these instruments is to manage exchange-rate risk and interest-rate risk arising from the Group's commercial and financing activities.

The Group does not deal in financial instruments.

The Board of Directors periodically reviews and sets the policies for managing such risks, as summarized below.

Interest-rate risk

The Group's exposure to the risk of changes in interest rates increased due to the acquisitions closed in the previous year through recourse to financing. Said greater exposure to fluctuations in interest rates has been managed by entering into Interest Rate Swap

contracts for a significant percentage of the amount of the financing obtained with the aim of ensuring a level of financial expenses deemed sustainable by the SAES Getters Group's financial structure.

The exposure to interest-rate risk associated with the Parent Company's financial liabilities is not significant inasmuch as its debt consists of fixed-rate subsidized loans drawn on a special fund for applied research.

Funding for working capital is managed through short-term financing transactions and, as a consequence, the Group does not entered into any hedges against interest-rate risk.

Interest-rate sensitivity analysis

The following table provides a sensitivity analysis of the short-term financial assets (cash and cash equivalents) in terms of the impact on income before taxes, assuming all other variables remain unchanged, of changes in interest rates:

(thousands of euro)

		Increase (decrease) in basis points	Impact on income before taxes
2009	Euro	+/- 0.20	+/- 13
	Other currencies	+/- 0.20	+/- 41
2008	Euro	+/- 0.20	+/- 64
	Other currencies	+/- 0.20	+/- 38

The following table provides a sensitivity analysis of Interest Rate Swaps in terms of the impact on income before taxes, assuming all other variables remain unchanged, of changes in interest rates:

(US dollar)

Description	Notional USD	Mark to Market (MTM) USD	fixed rate	3 months LIBOR BBA USD as at December 31, 2009	6 months LIBOR BBA USD as at December 31, 2009	+0.20%	Estimated MTM Libor +0.20%	-0.20%	Estimated MTM Libor -0.20%
IRS with maturity date as of May 31, 2012 closed on loan of USD 20 million by SAES Smart Materials, Inc.	10,000,000	(513,120)	3.65%		0.43%	0.63%	(481,249)	0.23%	(544,991)
IRS with maturity date as of November 30, 2010 closed on loan of USD 3 million by Spectra-Mat, Inc.	1,000,000	(36,889)	4.36%		0.43%	0.63%	(35,011)	0.23%	(38,766)
IRS with maturity date as of December 31, 2014 closed on loan of USD 30.5 million by Memry Corporation	12,000,000	(16,585)	3.03%	0.25%		0.45%	(15,391)	0.05%	(17,778)
Totale	23,000,000	(566,593)					(531,652)		(601,535)

The following table provides a sensitivity analysis of financial liabilities in terms of the impact on income before taxes, assuming all other variables remain unchanged, of changes in interest rates:

(thousands of euro)

		Increase (decrease) in basis points	Impact on income before taxes
2009	Euro	+/- 1	+/- 66
	USD/Other currencies	+/- 1	+/- 235
2008	Euro	+/- 1	+/- 19
	USD/Other currencies	+/- 1	+/- 145

Exchange-rate risk

The Group is exposed to foreign currency exchange risk. Such exposure is generated predominantly by sales in currencies other than the reference currency. Around 84% of Group sales and around 57% of the Group's operating costs are denominated in a currency other than the euro.

In order to manage the volatility generated by the economical impact of fluctuations in exchange rates, primarily EUR/USD and EUR/JPY, the Group enters into hedges on these currencies, the values of which are periodically determined by the Board of Directors according to the net currency cash flows expected to be 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, the Group uses a centralized cash pooling system denominated in euro involving almost all Group companies with the aim of decreasing, insofar as it is possible, the cash and cash equivalents not originally denominated in euro to the minimum levels deemed necessary for the operations of individual companies. The newly acquired U.S. companies were also included in the cash-pooling system during the second part of the year. Due to this choice, most cash and cash equivalents centralized through the cash-pooling system have been converted into euro.

On occasion, the Group also hedges specific commercial transactions in a currency other than the reporting currency.

Exchange-rate sensitivity analysis

The following table provides a sensitivity analysis for the trade receivables and payables outstanding at year-end in terms of the impact on the consolidated income before income taxes and shareholders' equity of changes in the EUR/USD and EUR/JPY exchange rates, assuming that all other variables remain unchanged:

Exchange-rate risk – Sensitivity analysis – Trade account receivables and payables

(thousands of euro)

US dollar	Increase / Decrease	Impact on income (loss) before taxes	Impact on net income (loss)
2009	+ 5%	177	131
	- 5%	(196)	(145)
2008	+ 5%	58	44
	- 5%	(64)	(48)

(thousands of euro)

Japanese YEN	Increase / Decrease	Impact on income (loss) before taxes	Impact on net income (loss)
2009	+ 5%	16	12
	- 5%	(18)	(13)
2008	+ 5%	119	88
	- 5%	(131)	(97)

The following table provides a sensitivity analysis of cash and cash equivalents and cash-pooling receivables outstanding at year-end in terms of the impact on the Group's income before taxes and shareholders' equity of changes in exchange rates between the U.S. dollar and euro and other currencies, assuming that all other variables remain unchanged. This analysis has been conducted with a view to the fact that subsidiaries have both cash and cash equivalents and cash-pooling receivables/payables from/to the Parent Company in euro, the conversion of which may result in exchange gains or losses.

Exchange-rate risk – Sensitivity analysis – Cash, cash equivalents and cash pooling account receivables

(thousands of euro)

EURO	Increase / Decrease	Impact on income (loss) before taxes	Impact on net income (loss)
2009	+ 5%	(194)	(180)
	- 5%	194	180
2008	+ 5%	(658)	(453)
	- 5%	658	453

(thousands of euro)

US dollar	Increase / Decrease	Impact on income (loss) before taxes	Impact on net income (loss)
2009	+ 5%	12	9
	- 5%	(14)	(10)
2008	+ 5%	111	88
	- 5%	(122)	(97)

The following table provides a sensitivity analysis of forward agreements in terms of the impact on income before taxes, assuming all other variables remain unchanged, of changes in exchange rates:

(thousands of euro)

	Increase / Decrease	Impact on income (loss) before taxes	Impact on net income (loss)
2009	+1%	3	2
	- 1%	(3)	(2)
2008	+1%	121	87
	- 1%	(123)	(89)

An appreciation of the U.S. dollar by approximately 5% would have had a negative impact of approximately 1,739 thousand of euro on net financial position as of December 31, 2009, whereas a depreciation of 5% would have had a positive impact of approximately 1,574 thousand of euro.

Commodity price risk

The Group's exposure to commodity price risk is usually moderate. The Group makes purchases according to its needs. The procurement procedure requires the Group to

have 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 volatility. 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 volatility of its commodities.

Credit risk

The Group deals predominantly with well-known and reliable customers: the Sales and Marketing Department assesses new customers' solvency and periodically verifies that credit limit conditions have been met.

The balance of receivables is constantly monitored so as to minimize the risk of potential losses, particularly in the light of the difficult macroeconomic situation.

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 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 facilities for short-term use at market interest rates.

The Group's objective is to decrease its debt by generating operating cash flow. In addition, the Group aims to minimize the portion of its debt falling due within one year.

The following table provides a summary of the maturity profile of the Group's financial liabilities as of December 31, 2009 on the basis of non-discounted contractual payments:

(thousands of euro)

	Dec. 31, 2009	Dec. 31, 2008	Difference
Less than 1 year	24,730	2,795	21,935
Between 1 and 2 years	3,602	3,688	(86)
Between 2 and 3 years	3,016	3,706	(690)
Between 3 and 4 years	2,545	3,113	(568)
Between 4 and 5 years	2,314	2,635	(321)
Over 5 years	1,236	3,673	(2,437)
Total	37,443	19,610	17,833

It has to be noted that the high percentage of debt due within one year includes the long-term share (20,410 thousand of euro) of the loan contracted by Memry Corporation, which as of December 31, 2009 had been reclassified as current due to non-compliance with covenants.

As stated above in Note no. 25, the covenant clauses for this loan were renegotiated in 2010. Accordingly, the risk that the loan will need to be repaid immediately has been eliminated.

Due to the foregoing, as of December 31, 2009 the Group was not significantly exposed to liquidity risk, considering the lines of credit to which it has access to repay its outstanding loans.

Equity management

The objective pursued by the Group's equity 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 equity management objectives or policies during 2009.

The Group periodically monitors some performance indicators, such as the debt-to-equity ratio, defined as the ratio of net debt to shareholders' equity, with the aim of keeping them at low levels in accordance with the Group's agreements with its lenders.

36. Potential liabilities and commitments

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

(thousands of euro)

	Dec. 31, 2009	Dec. 31, 2008	Difference
Guarantees in favour of third parties	61,331	70,229	(8,898)
Total guarantees provided by the Group	61,331	70,229	(8,898)

The decrease compared to the previous year is primarily explained by the expiration of guarantees provided by the Group to secure financing transactions undertaken by some foreign subsidiaries.

The maturities for operating lease obligations outstanding as of December 31, 2009 are shown below:

(thousands of euro)

	Less than 1 year	1-5 years	Over 5 years	Total
Operating lease obligations	918	1,821	650	3,389

37. Related party transactions

IAS 24 is followed in identifying Related Parties.

In this case, 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 election by the Group's Italian companies to participate in the national tax consolidation program.
- **KStudio Associato**, a tax, legal and financial consultancy firm whose founding member is Vincenzo Donnataria, 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 Manager, Corporate Strategic Marketing Manager, Corporate Operations Manager, SMA Medical Business Unit Manager, Group Legal General Counsel and Group Business Development Manager.
- **The Board of Statutory Auditors**.

The following table shows the total values of the related party transactions undertaken in 2009 and 2008.

(thousands of euro)

	Costs		Revenues		Payables		Receivables	
	2009	2008	2009	2008	2009	2008	2009	2008
S.G.G. Holding S.p.A.					3,384	5,647	4,690	6,666
KStudio Associato	23	23				8		

The following table shows the compensation provided to key management personnel as identified above:

(thousands of euro)

	2009	2008
Short term employee benefits	3,129	3,381
Post employment benefits	0	0
Other long term benefits	0	0
Termination benefits	305	743
Stock grant *	863	0
Other benefits **	584	0
Total compensation to key management	4,881	4,124

* On April 21, 2009 the Shareholders' Meeting approved the free assignment of no. 100,000 ordinary shares of SAES Getters S.p.A., held in portfolio of the Company, to the founder Dr Ing. Paolo della Porta as an acknowledgment to his career, in addition to a cash amount that could enable Dr Ing. Paolo della Porta to pay the related taxes.

** The item "Other benefits" includes the cost of the taxes mentioned in the above note.

Pursuant to Consob communications of February 20, 1997 and February 28, 1998, as well as to IAS 24, we report that in 2009 all related-party transactions were undertaken at arm's-length conditions and that there were no atypical, unusual or non-standard related party transactions.

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

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

EXPRESSED IN FOREIGN CURRENCY (per 1 euro)

Currency	December 31, 2009		December 31, 2008	
	Average rate	Final rate	Average rate	Final rate
US dollar	1.3948	1.4406	1.4708	1.3917
Japanese Yen	130.3370	133.1600	152.4540	126.1400
Korean Won	1,772.9000	1,666.9700	1,606.0900	1,839.1300
Renminbi (P.R. of China)	9.5277	9.8350	10.2236	9.4956
GB pound	0.8909	0.8881	0.7963	0.9525

39. Audit fees and its network entities fees

Pursuant to article 149-*duodecies* of the Issuer Regulations ("Disclosure of Compensation"), which were introduced by Consob resolution no. 15915 of May 3, 2007, the following table shows the compensation collected by the independent auditors and entities belonging to the independent auditors' network for auditing engagements and the provision of other services, broken down by type or category:

(thousands of euro)

Business services	Supplier	Customer	Fees
Audit	Parent Company auditor	SAES Getters S.p.A.	80
Tax and legal advices	Parent Company auditor	SAES Getters S.p.A.	0
Other (*)	Parent Company auditor	SAES Getters S.p.A.	11
Audit	Parent Company auditor	Subsidiaries	126
Tax and legal advices	Parent Company auditor	Subsidiaries	0
Other (**)	Parent Company auditor	Subsidiaries	26
Audit	Network of Parent Company auditor	Subsidiaries	343
Tax and legal advices	Network of Parent Company auditor	Subsidiaries	17
Other	Network of Parent Company auditor	Subsidiaries	0
Total			603

(*) 3 thousand of euro for the R&D receivables' attestation pursuant to Article no. 6, paragraph 3 of D. Int. no. 76 issued on March 28, 2008; 8 thousand of euro as reimbursement of expenses incurred

(**) Reimbursement of expenses incurred and other different services

Lainate (MI), March 15, 2010

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

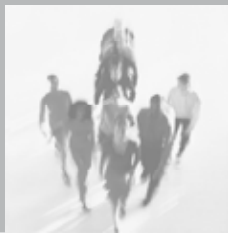
ANNEX 1

Consolidated income statement

prepared pursuant to CONSOB resolution no. 15519 of July 27, 2006
and Communication no. DEM/6064293 of July 27, 2006

(thousands of euro)

	2009	of which: non recurring costs	2009 net of non recurring costs
Net sales	128,805	0	128,805
Cost of sales	(77,150)	(7,775)	(69,375)
Gross profit (loss)	51,655	(7,775)	59,430
Research and development expenses	(15,642)	(1,837)	(13,805)
Selling expenses	(16,579)	(2,729)	(13,850)
General and administrative expenses	(32,035)	(5,254)	(26,781)
Total operating expenses	(64,256)	(9,820)	(54,436)
Other income (expenses), net	955	721	234
Operating income (loss)	(11,646)	(16,874)	5,228
Financial income	478	0	478
Financial expenses	(7,979)	(5,986)	(1,993)
Exchange gains (losses), net	(1,217)	0	(1,217)
Income (loss) before taxes	(20,364)	(22,860)	2,496



**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 Vice President and Managing Director, and Michele Di Marco, in his capacity as 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, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:

- the adequacy for the characteristics of the enterprise and
- 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, 2009.

2. The following remarks apply to this situation:

2.1 The Administrative and Accounting Control Model of the SAES 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, and, specifically, obligations pertaining to the preparation of corporate accounting documents and all documents and communications of a financial nature disseminated to the market.
- The Control Model, which refers to the organizational structure of the SAES Group:
 - . 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 Group and introduces the role of manager in charge of the preparation of corporate accounting documents (hereinafter the "Officer Responsible");
 - . describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES 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.

2.2 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.

2.3 Internal administrative and accounting control system of the subsidiaries of the SAES 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.

Following the administrative and accounting risk assessment conducted on the basis of the figures from the 2006 Consolidated Financial Statements, the results of which were confirmed by the update based on the figures from the 2008 Consolidated Financial Statements, the most significant line items were selected on the basis of their materiality. For these items, which pertained to ten Group companies, the Officer Responsible 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.

It has to be noted that, starting from 2009, also the subsidiaries SAES Smart Materials, Inc., Spectra-Mat, Inc. and Memry Corporation have been included in the risk assessment process and, as a consequence, in the certification process related to the Consolidated Financial Statement.

- In order to certify the Consolidated Financial Statements, the Officer Responsible requested the following of each of the companies subject to controls and affected by significant processes:
 - a. The dispatch of a representation letter drafted in the format attached to the Administrative and Accounting Model of the SAES 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 of the 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 and 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 Group.

-
- On July 12, 2007 the associated Integrated Process was approved by the Chief Financial Officer of the SAES Group and the Chief Executive 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 2007) 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 Officer Responsible and approved by the Chief Executive 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., in which the company only sends the Officer Responsible 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.

2.4 Results of the certification process by the subsidiaries of the SAES Group

- As of today's date, the Officer Responsible has received all ten representation letters requested, signed by the General Managers / Financial Controllers of the subsidiaries affected by the processes deemed relevant after a risk assessment. In addition, all of the ACMs, completed in full, were also dispatched.
- The results of the process were positive and the only anomalies reported were deemed insignificant and not of an extent to compromise the reliability and completeness of the accounting and financial information of subsidiaries.
- The reports received were nonetheless also forwarded to the Internal Audit Department and will be contemplated in the process of revising administrative and accounting procedures planned for 2010, also following the implementation of a new information technology system (ERP) at some Group companies and the related organizational changes.

3. Furthermore, we certify that:

3.1 the Consolidated Financial Statements for the year ended December 31, 2009:

- a. have been prepared in accordance with applicable international accounting standards recognized within the European Union pursuant to Regulation (EC) 1602/2002 of the European Parliament and the Council of July 19, 2002;
- b. correspond to the results of accounting records and books;

-
- c. 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;
- 3.2 the Report on operations includes a reliable analysis of operating performance and results, as well as the situation of the issuer and the companies included in the scope of consolidation, along with a description of the primary risks and uncertainties to which they are exposed.

Lainate, (MI) Italy, March 15, 2010

Vice President
and Managing Director
Dr. Giulio Canale

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



**Board of Statutory Auditors'
report to the Shareholders'
Meeting**

Board of Statutory Auditors' report to the Shareholders' Meeting pursuant to article 153 of legislative decree 58/1998 and article 2429, paragraph 3, of the Italian Civil Code

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

Dear Shareholders,

During the year ended on December 31, 2009, our supervisory activity was conducted in accordance with the Consolidated Financial Intermediation Act enacted 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 notice DEM/1025564 of April 6, 2001, as amended.

In detail:

- we certify that we have verified compliance with the law and with the articles of association and observance of the principles of proper 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 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 calendar year 2009, we took part in one Shareholders' Meeting and ten 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 infra-group interests, were not manifestly imprudent, hazardous, atypical or unusual, and did not represent potential conflicts 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 in correctly representing operating circumstances by obtaining information from the respective department managers and examining Company documents. In this respect, we have no particular remarks to report. Furthermore, having followed the work done by the Internal Audit Department, the head of which was appointed Head of Internal Controls effective April 21, 2009, and by the Audit Committee, we may confirm that the internal control system adopted by the Company is fully adequate;
- we also verified the adequacy of the instructions provided to subsidiaries in accordance with article 114, paragraph 2, of Legislative Decree 58/1998.

Having acknowledged the foregoing, we would like to draw the attention of the Shareholders' Meeting to the following.

International market crisis and the Group's restructuring plan

As appropriately illustrated by the Directors in the 2009 Financial Statements, the results for the year were influenced to a significant extent by the effects of the market crisis

and, most markedly, the recession that affected many business segments, including some of the SAES Getters Group's target markets. In particular, there was a dramatic decline in the net sales of the Information Displays segment, which previously had represented the largest share of the Group's positive results. Nonetheless, the action taken in order to react to the effects of the crisis allowed the Group to preserve strong sales and margins. We are referring in particular to the initiatives aimed at diversifying the business into the medical industry through acquisitions in the Shape Memory Alloys (SMA) segment closed in 2008, which allowed the Group to absorb the negative results of the Information Displays segment, an attentive policy of containing operating expenses and the implementation of a rationalization plan aimed chiefly at ensuring the recovery of future profitability through the reorganization of the business in Europe and Asia and the rationalization of the production structure to render it more consistent with changed market needs. In particular, this plan calls for measures aimed at consolidating and rationalizing industrial activities, disposing of several non-strategic production lines and reducing all structural costs. In view of this aim, it was decided to abandon the optoelectronics business, no longer considered strategic, and to proceed with the liquidation of the subsidiaries SAES Getters (GB), Ltd. and SAES Getters (Deutschland) GmbH while continuing to serve these local markets in another form. In a like manner, the Group initiated the process of liquidating SAES Getters Singapore PTE, Ltd. and SAES Getters Japan Co., Ltd. This process should be concluded in 2010. As part of this restructuring plan, SAES Getters America, Inc. will also discontinue its manufacturing operations in the first half of 2010, after which it will engage solely in sales and marketing. In Italy, it was decided to concentrate most production activities in Avezzano and maintain the Lainate facility chiefly for research and innovation activities, with the addition of prototyping and pilot-line activities. As part of this process, on September 28, 2009 a transfer agreement was signed for three business units engaged in the manufacture of screen-printing HPTFs and porous disks, barium getters for receiver applications and monochrome applications, and alkaline metal dispensers from SAES Getters S.p.A. to SAES Advanced Technologies S.p.A. for total consideration of 3,050 thousand of euro. The transfer of the assets was completed in December 2009. The process also included the signature by SAES Getters S.p.A. and SAES Advanced Technologies S.p.A. of ordinary redundancy fund and job mobility agreements with labor unions. Due to the foregoing, the 2009 consolidated results were heavily penalized by non-recurring costs associated with the restructuring process, which came to a total of 16,200 thousand of euro. The benefits of reorganization will naturally become clear in the coming years as markets gradually recover.

Most significant transactions undertaken during the year

As part of business development transactions in the Shape Memory Alloys (SMA) sector, the sale of the assets of Putnam Plastics, the polymer division of the indirect subsidiary Memry Corporation, was closed on February 9, 2009 for consideration of USD 25 million. This sale, which was part of SAES Getters' strategy of focusing investments and resources on its strategic core business of shape memory alloys (SMA) for medical and industrial applications, allowed the generation of positive cash flow and an improvement of the Group's net financial position.

The sale of Opto Materials S.r.l. (previously SAES Opto Materials S.r.l.) for consideration of 880 thousand of euro was finalized on December 18, 2009. The direct parent company, SAES Opto S.r.l., which engaged primarily in the selling of the optical crystals manufactured by its former subsidiary, will be liquidated in 2010 as a consequence of the decision to exit the unprofitable optoelectronics business.

Accordingly, as stated in the description of subsequent events after the end of the year in the Financial Statements, on February 18, 2010 the Board of Directors of SAES Getters S.p.A. approved the placement of SAES Opto S.r.l. in liquidation.

In addition, the process of liquidating SAES Getters Technical Service (Shanghai) Co., Ltd. was completed on May 21, 2009 and the Parent Company incorporated a branch in Japan on August 28, 2009. This branch's function is to provide technical support to Group companies that sell on the Japanese market, no longer to be served by SAES Getters Japan Co., Ltd., which is to be liquidated.

Lastly, on April 21, 2009 the Shareholders' Meeting resolved to grant to Paolo della Porta, as career bonus, 100,000 ordinary shares of SAES Getters S.p.A. stock held in the Company's portfolio, in addition to a lump sum adequate to permit him to pay the required withholding taxes.

Turning to significant transactions after the end of 2009, E.T.C. S.r.l., a subsidiary 85% owned by SAES Getters S.p.A., was incorporated on February 12, 2010 as a spin-off supported by Italy's National Research Counsel. The company is based in Bologna and its object is the development of materials to be used in organic electronics and organic photonics applications, as well as integrated organic photonics devices for niche applications. Lastly, in order to protect the Group's results from the effects of the exchange rate between the euro and the major currencies, after December 31, 2009 the Group entered into hedging transactions on the U.S. dollar in the amount of USD 8.35 million and additional hedging transactions on the Japanese yen, bringing the amount of the latter up to JPY 280 million (figures updated as of March 15, 2010).

The Board of Statutory Auditors, after being duly and punctually 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 consist essentially of intra-group 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 products, finished products, and various types of equipment and services. Interest-bearing cash-pooling agreements are in force with several Group companies. All agreements entered into were at arm's length conditions.

In their Report, the Directors stated 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 parent company, essentially owned by former parties to the SAES Getters Shareholders' Agreement, which holds 7,958,920 ordinary shares, representing 52.12% of ordinary capital stock. An agreement concerning the participation in Italy's national tax consolidation program has been in force with said company since May 12, 2005, and was renewed on June 12, 2008 for a further three years. By virtue of said agreement, on December 31, 2009 SAES Getters S.p.A. transferred a total of 4,668 thousand of euro in tax credits to the consolidating company;
- dealings with KStudio Associato, the founding partners of which include Vincenzo Donnamaria, Chairman of the Board of Statutory Auditors of SAES Getters, pertaining

to legal and tax consulting services provided during the year for consideration of 23 thousand of euro.

The Directors also identified the following additional related parties:

- members of the Board of Directors, including non-executive directors, as well as managers with strategic responsibilities, namely the Group Human Resources Manager, Corporate Strategic Marketing Manager, Corporate Operations Manager, SMA Medical Business Unit Manager, Group Legal General Counsel and Group Business Development Manager;
- the Board of Statutory Auditors.

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 Notices of February 20, 1997 and February 28, 1998, as well as IAS 24. In addition, as required by Consob resolution 15519 of July 27, 2006, the Explanatory notes to the Financial Statements contain an account of the amounts of positions or transactions with related parties shown separately from the applicable items.

The information disclosed by the Directors in their Report on operations in the Financial Statements for the year ended on December 31, 2009 is complete and adequate with respect to transactions undertaken with all Group entities and related parties.

Lastly, we report that the Corporate Governance expressly indicates the principles of conduct to be observed in monitoring significant transactions or transactions with related parties, as well as the terms and conditions of disclosure to the Board of Directors and the Board of Statutory Auditors.

Independent auditors

Reconta Ernst & Young S.p.A., engaged to audit the Financial Statements, issued audit reports on April 6, 2010, in which they expressed a judgment containing no remarks on either the Consolidated or Parent Company accounts for 2009.

We also held meetings, including informal sessions, with representatives of Reconta Ernst & Young S.p.A., the auditing firm engaged to review the Consolidated and SAES Getters S.p.A. Financial Statements and provide accounting control pursuant to article 150, paragraph 3, of Legislative Decree 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

For information on additional engagements conferred on the auditing firm and/or parties in long-term relationships therewith, the reader is referred to the information provided by the Company in the Notes to the Consolidated Financial Statements, pursuant to article 149-*duodecies* of the Issuer Regulations, which governs the disclosure of consideration.

Indication of the existence of opinions issued in accordance with the law during the year

In 2009, the Board of Statutory Auditors was not called upon to issue any opinions in accordance with the law (except for the opinion of the appointment of the Officer Responsible for the preparation of the corporate financial reports pursuant to article 154-

bis of the Consolidated Finance Act, which was provided orally to the Board of Directors at its meeting on April 21, 2009).

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

By registered letter dated May 18, 2009, addressed to the Board of Statutory Auditors and the Board of Directors, the minority-interest shareholder Carlo Fabris alleged pursuant to article 2408 of the Italian Civil Code that there had been a breach of the provisions of article 2357-ter of the Italian Civil Code, which govern the conditions of the distribution of profits when there are treasury shares in a company's portfolio. In particular, the article cited above provides that "... for such time as the shares remain owned by the company, the right to profits and the right to options shall be attributed proportionally to the other shares..." In the shareholder's opinion, this rule was not complied with in the resolution by the Shareholders' Meeting of SAES Getters S.p.A. of April 21, 2009, which ordered the distribution of a dividend of 0.816 euro per each of the 7,460,619 savings shares and 0.800 euro per each of the 15,271,350 ordinary shares representing the Company's capital stock, of which the Company held 700,000 ordinary shares and 82,000 savings shares.

On this issue, the Board of Directors, acting in concert with the Board of Statutory Auditors, requested two legal opinions of the proper interpretation of article 2357-ter from KStudio Associato and from Cleary Gottlieb Steen & Hamilton LLP. On the basis of the inquiries conducted and the foregoing opinions provided to the Board of Statutory Auditors, it appears that the Company's conduct may be viewed as legitimate, in that its Shareholders' Meeting resolved to distribute a total dividend of 18,304,945 euro, already including the increase for the share due to treasury shares in portfolio, and to carry forward the remaining amount of 8,092,610 euro, while also allocating to the retained earnings the rounding carried out before paying the dividend resulting from the non-payment thereof to the treasury shares in portfolio.

In other words, the total maximum dividend was paid in the amount of 0.800 euro to the holders of 14,571,350 outstanding ordinary shares, for a total of 11,657,080 euro, and 0.816 euro to the 7,378,619 holders of outstanding savings shares, for a total of 6,020,953 euro. The dividend attributable to treasury shares (700,000 ordinary shares and 82,000 savings shares), in the total amount of 626,912 euro, was allocated to the retained earnings. As held by authoritative legal scholarship, the allocation of this amount to increase the Company's equity, and thus to benefit shareholders, does not in any way harm the interest of minority-interest shareholders in the proportional increase of the dividend calculated on their own interest, and thus represents conduct in compliance with the spirit of the cited article 2357-ter of the Italian Civil Code.

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 struc-

ture is appropriate to the Group's size.

Lastly, the Statutory Auditors, in the course of 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 Officer Responsible for the preparation of the corporate financial reports, and the Internal Audit Department.

During the year, the Officer Responsible for the preparation of the corporate financial reports did not report to us any particular critical issues or anomalies requiring mention in this Report.

We inquired into 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 events, by obtaining information from the heads of the respective offices, reviewing Company documents directly, and exchanging information with the auditing firm Reconta Ernst & Young S.p.A., in accordance with article 150 of Legislative Decree 58/1998. We have no particular remarks to report in this regard.

The Company has adopted appropriate procedures for governing and monitoring disclosure to the market of data and transactions pertaining to Group companies. In this regard, it should be recalled that the Company has a complex Administrative and Accounting Control Model, approved by the Board of Directors on May 14, 2007. This Model was adopted in part to reflect 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.

Subsidiaries

As required by the Internal Control Model adopted by the Company, the Manager in Charge of Preparing the Company's Financial Reports, with the support of the Group Consolidation and Reporting Manager, ensures that the rules for the control of subsidiaries are updated and in line with the Group's principles. On this issue, the Board of Statutory Auditors refers to the detailed description provided to the specific paragraph of the Corporate Governance and Ownership Report, approved by the Board of Directors on March 15, 2010 and made available on the Company's website.

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 2009 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 applicable laws and regulations.

In this regard, the Board of Statutory Auditors attests that it has verified the propriety of the criteria adopted by the Board of Directors for assessing the independence of its 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 February 3, 2010.

Lastly, by the established deadline, each member of the Board of Statutory Auditors disclosed to Consob the management and control positions filled at the companies indicated in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, pursuant to article 148-*bis* of Legislative Decree 58/1998 and article 144-*quaterdecies* of the Issuer Regulations. In the interest of the fulfillment of public disclosure obligations pursuant to article 114-*quinqüesdecies* of said Regulations, a list of positions filled by each member of the Board of Statutory Auditors of SAES Getters S.p.A. is annexed to this Report.

Consolidated and SAES Getters S.p.A financial statements for the year ended on December 31, 2009

As we are not responsible for an analytical review of the contents of the Financial Statements, we certify that we have verified the general layout of both the Consolidated and SAES Getters S.p.A. Financial Statements and the general compliance thereof with the law in terms of formation and structure. We further certify that the information contained therein corresponds to the facts and information in our possession.

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.

The Financial Statements of the Parent Company and the Consolidated Financial Statements consist of the statement of financial position, income statement, statement of comprehensive income, cash flow statement, statement of changes in shareholders' equity and the explanatory notes. The presentation adopted is compliant with the provisions of IAS 1 as revised.

Financial position was prepared by distinguishing between current and non-current assets and liabilities according to whether the assets are likely to be realized and the liabilities discharged within or beyond twelve months from the reporting date and stating them under two separate items, "*Discontinued operations/Non-current assets held for sale*" and "*Liabilities associated with discontinued operations/assets held for sale*" as required by IFRS 5.

In the income statement, costs are disclosed on the basis of their allocation.

The Statement of Cash Flows has been prepared according to the indirect method, as allowed under IAS 7.

In addition, as required by Consob resolution 15519 of July 27, 2006, in the income statement by allocation, revenue and income derived from non-recurring transactions or events that do not occur frequently in the habitual course of business have been specifically identified.

In accordance with this resolution, the amounts of positions or transactions with related parties have also been presented separately from the applicable items in the Notes.

We provide the following financial highlights from the Financial Statements submitted for your consideration:

(amounts in thousands of euro)

Income statement	Parent Company financial statements	Consolidated financial statements
Net revenues	16,394	128,805
Operating income (loss)	(27,391)	(11,646)
Sundry income and expenses	25,931	(8,718)
Income (loss) before taxes	(1,460)	(20,364)
Net income (loss)	(1,383)	(26,297)
Balance Sheet		
Non-current assets	93,894	116,873
Current assets	26,805	68,265
Total assets	120,699	185,138
Non-current liabilities	4,743	33,299
Current liabilities	32,353	52,988
Shareholders' equity	83,603	98,851
Total liabilities	120,699	185,138

As of December 31, 2009, the Parent Company's cash flow statement showed net cash and cash equivalents of 3,659 thousand of euro. As of the same date, the Consolidated cash flow statement showed net cash and cash equivalents of 22,291 thousand of euro.

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 amortized, but rather tested for impairment at least annually.

Long-term equity investments came to 73,320 thousand of euro at year-end. The item has been stated in detail and divided into directly and indirectly held investments in subsidiaries and joint ventures. All equity investments are measured at cost and adjusted as necessary to account for impairment on the Parent Company's financial statements. In the consolidated financial statements, investee companies have been included in the scope of consolidation according to the line-by-line method, with the exception of joint ventures, to which the proportional method has been applied.

The dividends collected by the Parent Company in 2009 totalled 31,215 thousand of euro, compared to 49,189 thousand of euro in 2008.

Financial debt came to 18,904 thousand of euro on the Parent Company's Financial Statements as of December 31, 2009, marking an increase of 753 thousand of euro compared to December 31, 2008.

Capital stock

As of December 31, 2009, capital stock, fully subscribed and paid-up, amounted to 12,220 thousand of euro and consisted of 15,271,350 ordinary shares and 7,460,619 savings shares, for a total of 22,731,969 shares.

The composition of capital stock was unchanged compared to December 31, 2008.

Treasury shares

As of December 31, 2009, the Company held a total of 600,000 ordinary treasury shares and 82,000 savings treasury shares. The decrease in ordinary treasury shares was due to the grant, without consideration, of a total of 100,000 ordinary treasury shares held by the Company to Paolo della Porta as career bonus, in accordance with the resolution passed by

the Shareholders' Meeting on April 21, 2009. The total cost of purchasing treasury shares is classified as a direct deduction from shareholders' equity in application of IAS 32.

The shareholders' equity of the Parent Company totalled 83,603 thousand of euro and included, inter alia, the reserve for treasury shares in portfolio (10,177 thousand of euro, equal to the carrying amount of the ordinary and savings shares of SAES Getters in portfolio at year-end), the reserve of positive currency revaluation balances ensuing from the application of law 72/1993 and law 342/2000 (1,727 thousand of euro), the retained earnings reserve (22,926 thousand of euro), the IAS conversion reserve (2,712 thousand of euro), the reserve for capital gains on the sale of treasury shares in portfolio (a negative 589 thousand of euro), and the reserve representing the capital gain on the sale of the three business units to SAES Advanced Technologies S.p.A. (2,426 thousand of euro).

Research, development and innovation costs were 11,678 thousand of euro in the Parent Company's Financial Statements and 15,642 thousand of euro in the Consolidated Financial Statements. These costs were charged to income because they did not meet the requirements laid down in IAS 38 for compulsory capitalization.

Current and deferred income taxes were recognized with a positive balance of 3,390 thousand of euro for the Parent Company, consisting of 3,022 thousand of euro in current taxes and 368 thousand of euro in deferred taxes. The positive balance of current taxes was primarily due to the tax consolidation program in which the Company participates with its Controlling Company S.G.G. Holding S.p.A.. Current and deferred income taxes came to 2,838 thousand of euro on the Consolidated Financial Statements. For information concerning the recognition of deferred tax assets and liabilities and the tax effects thereof, the reader is referred to the remarks made by the Directors and the statements of temporary differences and associated tax effects. 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 Report on operations of the SAES Getters Group. The Board of Statutory Auditors acknowledges the proposal by the Board of Directors to cover the loss for the year of 1,382,994.94 euro through the use of the "retained earnings", which will stand at 21,542,934.84 euro following said use. The Board of Statutory Auditors also acknowledges that 2009 was the second consecutive year in which the Company satisfied the requirements for being considered to engage primarily, although not in relation to the public, in the activities detailed in article 106, paragraph 1, of Legislative Decree 385 of September 1, 1983 (the Consolidated Banking Act). Accordingly, the Company is required to register in the special section of the general list as specified in article 113 of the Consolidated Banking Act. Registration shall be completed within 60 days of the date of approval of the 2009 Financial Statements, as required by article 2, paragraph 3, of the Ministerial Decree of July 6, 2004. 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, 2009, as prepared by the Directors.

April 6, 2010

Avv. Vincenzo Donnamaria

Rag. Alessandro Martinelli

Dott. Maurizio Civardi

Assignment list pursuant to article 144-*quinquiesdecies* (obligation of public disclosure) of Legislative Decree no. 58 of February 24, 1998

DONNAMARIA VINCENZO

Born in Rome on October 4, 1995
Resident in Rome, Viale Regina Margherita 158
Companies Register no. DNN VCN 55R04 H501E

Independent auditors' register pursuant to Ministerial Decree of April 12, 1995 published on Gazette no. 31 *bis* of April 21, 1995; reference 20906

Total offices: 22

Offices in listed companies: 2

Offices:

Company name: Allergan S.p.A.
Domicile: Via S. Quasimodo, 134/138
Companies Register no.: 00431030584
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2010 Financial Statements

Company name: Astrolink Italia S.r.l. in Special Management
Domicile: Via Eleonora Duse 35 – 00197 Rome
Companies Register no.: 95754071008
Office: Statutory Auditor
Duration: Approval of 2010 Financial Statements

Company name: Balverda S.r.l.
Domicile: Via Valbondione 113 – 00188 Rome
Companies Register no.: 00798570156
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2009 Financial Statements

Company name: Cephalon S.r.l.
Domicile: Piazza Marconi, 25 – 00144 Rome
Companies Register no.: 04936501008
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2011 Financial Statements

Company name: Chefaro Pharma Italia S.p.A.
Domicile: Via Castello della Magliana 18 – 00100 Rome
Companies Register no.: 08923130010
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2009 Financial Statements

Company name: Ciessea S.p.A.
 Domicile: Via Vittor Pisani, 25 – 20124 Milan
 Companies Register no.: 05090740969
 Office: President of the Board of Directors
 Duration: Approval of 2011 Financial Statements

Company name: EEMS Italia S.p.A.
 Domicile: Via delle Scienze, 5 – Cittaducale (RI)
 Companies Register no.: 00822980579
 Office: Chairman of Board of Statutory Auditors
 Duration: Approval of 2010 Financial Statements

Company name: KPMG Advisory S.p.A.
 Domicile: Via Vittor Pisani 27 – 20124 Milan
 Companies Register no.: 04662680158
 Office: Chairman of Board of Statutory Auditors
 Duration: Approval of 2010 Financial Statements

Company name: KPMG Fides Servizi di Amministrazione S.p.A.
 Domicile: Via Vittor Pisani, 25 – 20124 Milan
 Companies Register no.: 00731410155
 Office: Chairman of Board of Statutory Auditors
 Duration: Approval of 2011 Financial Statements

Company name: Mylan S.p.A.
 Domicile: Via Vittor Pisani 20 – 20124 Milan
 Companies Register no.: 13179250157
 Office: Chairman of Board of Statutory Auditors
 Duration: Approval of 2011 Financial Statements

Company name: LB Italia Holdings S.r.l.
 Domicile: Piazza Virgilio 3 – 20123 Milan
 Companies Register no.: 06673621006
 Office: Chairman of Board of Statutory Auditors
 Duration: Approval of 2009 Financial Statements

Company name: Pfizer Holding Italy S.p.A.
 Domicile: Via Valbondione 113 – 00188 Rome
 Companies Register no.: 09810140153
 Office: Statutory Auditor
 Duration: Approval of 2009 Financial Statements

Company name: Pharmacia & Upjohn S.p.A. in Special Administration
 Domicile: Via Lorenteggio 257 – 20152 Milan
 Companies Register no.: 07089990159
 Office: Chairman of Board of Statutory Auditors
 Duration: Approval of 2011 Financial Statements

Company name: Presse Italia S.p.A. in Special Administration
 Domicile: Via Ettore Petrolini 2 – 00197 Rome
 Companies Register no.: 02851101218
 Office: Statutory Auditor
 Duration: Approval of 2011 Financial Statements

Company name: SAES Getters S.p.A.
Domicile: Viale Italia 77 – 20020 Lainate (MI)
Companies Register no.: 00774910152
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2011 Financial Statements

Company name: SAES Advanced Technologies S.p.A.
Domicile: Casella Postale 93 - 67051 Avezzano (AQ)
Companies Register no.: 01277610661
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2011 Financial Statements

Company name: Sefarma S.r.l.
Domicile: Via Valbondione 113 – 00188 Rome
Companies Register no.: 12121530153
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2010 Financial Statements

Company name: SGG Holding S.p.A.
Domicile: Via Vittor Pisani 27 – 20124 Milan
Companies Register no.: 06705891007
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2009 Financial Statements

Company name: Sprintlink Italy S.r.l.
Domicile: Via della Camilluccia 693 – 00135 Rome
Companies Register no.: 06501361007
Office: Statutory Auditor
Duration: Approval of 2010 Financial Statements

Company name: Vicuron Pharmaceuticals Italy S.r.l.
Domicile: Via Montenapoleone 18 – 20100 Milan
Companies Register no.: 03842850962
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2011 Financial Statements

Company name: Warner Chilcott Italy S.r.l.
Domicile: Via XX Settembre 1 – 00187 Rome
Companies Register no.: 10633241004
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2012 Financial Statements

MAURIZIO CIVARDI

Born in Genoa on July 30, 1959

Chartered Accountant

Associated in STUDIO ROSINA and Associates

Office in GENOA - Piazza Verdi 4/8

Tel. 010 - 542966 r.a. - Fax 010 - 593110

Office in MILAN - Via Podgora 16

Tel. 02 - 5469494 - Fax 02 - 54107805

e-mail: m.civardi@studiorosina.it

Qualified as Chartered Accountant and entered into the Order of Chartered Accountants and Accountants for the District Court of Genoa since March 13, 1985.

Entered in the Auditors' register (D.M. 12/4/1995 G.U. 31-bis - IV special series as of April 21, 1995)

Total offices: 47

Offices in listed companies: 1 (SAES Getters S.p.A.)

Offices:

Company name: B-INVEST S.p.A.

Office: Chairman of Board of Statutory Auditors

Duration: December 31, 2012

Company name: BOAT BOERO ATTIVA S.p.A.

Office: Chairman of Board of Statutory Auditors

Duration: December 31, 2009

Company name: BOMBARDIER TRANSPORTATION (HOLDINGS S.p.A.)

Office: Chairman of Board of Statutory Auditors

Duration: December 31, 2011

Company name: BOMBARDIER TRANSPORTATION ITALY S.p.A.

Office: Chairman of Board of Statutory Auditors

Duration: December 31, 2011

Company name: FEDERAZIONE ITALIANA DI CARDIOLOGIA

Office: Chairman of Auditors

Duration: December 31, 2010

Company name: FERROMETAL S.p.A.

Office: Chairman of Board of Statutory Auditors

Duration: December 31, 2010

Company name: FINSEA S.p.A.

Office: Chairman of Board of Statutory Auditors

Duration: December 31, 2011

Company name: GIANFRANCO GABRIEL & C. Soc. acc. p. azioni

Office: Chairman of Board of Statutory Auditors

Duration: December 31, 2010

Company name: IGINO MAZZOLA S.p.A.
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2009

Company name: IMM.RE DELLE FABBRICHE S.p.A.
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2011

Company name: KERFIN S.p.A.
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2011

Company name: MIGLIA 104 S.r.l. con Unico Socio
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2011

Company name: O.T.S. – Omnia Trasporti Speciali S.r.l.
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2010

Company name: R.G.M. S.p.A.
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2011

Company name: RIMORCHIATORI RIUNITI PANFIDO & C. S.r.l.
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2010

Company name: SERVIZI PORTUALI ISMAR S.p.A.
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2011

Company name: TRACOSIN S.p.A.
Office: Chairman of Board of Statutory Auditors
Duration: December 31, 2011

Company name: A.B.C. Costruzioni S.p.A.
Office: Statutory Auditor
Duration: December 31, 2012

Company name: AEROPORTO DI GENOVA S.p.A.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: ARRED S.p.A.
Office: Statutory Auditor
Duration: December 31, 2009

Company name: CAPITALIMPRESA S.p.A.
Office: Statutory Auditor
Duration: June 30, 2010

Company name: CONCORDIA S.r.l.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: EUROPEAN CRUISE MANAGEMENT S.r.l.
Office: Statutory Auditor
Duration: December 31, 2010

Company name: FIDICOM LIGURIA Soc. Coop. A r.l.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: GARAVENTA S.p.A.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: GENOVA INDUSTRIE NAVALI S.r.l.
Office: Statutory Auditor
Duration: December 31, 2010

Company name: IL PROMONTORIO S.c.a.r.l.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: INDEMAR S.p.A.
Office: Statutory Auditor
Duration: December 31, 2009

Company name: INTERMARE S.p.A.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: ISTITUTO LIGURE MOBILIARE S.p.A.
Office: Statutory Auditor
Duration: December 31, 2010

Company name: LIGURCAPITAL S.p.A.
Office: Statutory Auditor
Duration: December 31, 2010

Company name: MARITIME LOGISTICS AGENCY S.r.l.
Office: Statutory Auditor
Duration: December 31, 2010

Company name: METALLART S.r.l.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: MULTI TRANSPORT OPERATOR S.r.l.
Office: Statutory Auditor
Duration: December 31, 2009

Company name: NAVAL CHARTER MILANO S.r.l.
Office: Statutory Auditor
Duration: December 31, 2009

Company name: SAES GETTERS S.p.A.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: SAN GIORGIO SEIGEN S.p.A.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: SECH TERMINAL CONTENITORI S.p.A.
Office: Statutory Auditor
Duration: December 31, 2010

Company name: SOLUX S.p.A.
Office: Statutory Auditor
Duration: December 31, 2010

Company name: SO.PA.FI. S.p.A. con Socio Unico
Office: Statutory Auditor
Duration: December 31, 2011

Company name: TERMINAL RUBIERA S.r.l.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: TERMINAL SAN GIORGIO S.r.l.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: TONO S.p.A.
Office: Statutory Auditor
Duration: December 31, 2011

Company name: ZEUS S.p.A.
Office: Statutory Auditor
Duration: December 31, 2011

Other offices:

Company name: TENDER TO S.r.l.
Office: Sole Director

Company name: AGES S.p.A. in Special Management
Office: Extraordinary Commissioner

Company name: TRUST PLASTRON S.r.l. in Special Management
Office: Extraordinary Commissioner

MARTINELLI ALESSANDRO

Born in Milan on July 5, 1960
Resident in Milan, Via della Moscova no. 46/9
Companies Register no. MRTLSN60L05F205K

Independent auditors' register pursuant to Ministerial Decree of April 12, 1995 published on Gazette no. 31 *bis* of April 21, 1995 ; reference 2234

Total offices: 22

Offices in listed companies: 1

Offices:

Company name: Mondadori Educations S.p.A.
Domicile: Via Bianca di Savoia 12 – 20122 Milan
Companies Register no.: 03261490969
Office: Statutory Auditor
Duration: Approval of 2009 Financial Statements

Company name: Mondadori Retail S.r.l.
Domicile: Via Bianca di Savoia 12 – 20122 Milan
Companies Register no.: 00212560239
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2010 Financial Statements

Company name: Cemit Interactive Media S.p.A.
Domicile: Via toscana , 9 -10099 S. Mauro Torinese
Companies Register no.: 04742700018
Office: Statutory Auditor
Duration: Approval of 2010 Financial Statements

Company name: Mach 2 Libri S.p.A.
Domicile: Via Galileo Galilei 1 – 20068 Peschiera Borromeo
Companies Register no.: 03782990158
Office: Statutory Auditor
Duration: Approval of 2009 Financial Statements

Company name: Acitour Lombardia S.r.l.
Domicile: Corso Venezia, 43 – 20121 Milan
Companies Register no.: 04109900151
Office: Statutory Auditor
Duration: until next Shareholders' meeting

Company name: Automobile Club Milano Servizi Assicurativi S.p.A.
Domicile: Corso Venezia , 43 – 20121 Milan
Companies Register no.: 09620360157
Office: Statutory Auditor
Duration: Approval of 2009 Financial Statements

Company name: Immobiliare Automobile Club di Milano S.p.A.
Domicile: Corso Venezia , 43 – 20121 Milan
Companies Register no.: 01046390157
Office: Statutory Auditor
Duration: Approval of 2011 Financial Statements

Company name: Quanta S.p.A.
Domicile: Corso Porta Ticinese, 12 – 20123 Milan
Companies Register no.: 10990660150
Office: Statutory Auditor
Duration: Approval of 2010 Financial Statements

Company name: Terra S.p.A
Domicile: Via Fontana , 11 – 20122 Milan
Companies Register no.: 04264890965
Office: Statutory Auditor
Duration: Approval of 2009 Financial Statements

Company name: Diamante S.p.A.
Domicile: Via Fontana, 11 Milan
Companies Register no.: 05039820968
Office: Statutory Auditor
Duration: Approval of 2010 Financial Statements

Company name: Realty Investments S.p.A.
Domicile: Piazza Diaz ,1 -20123 Milan
Companies Register no.: 13032580154
Office: Statutory Auditor
Duration: Approval of 2011 Financial Statements

Company name: Tenimenrto di Luvinato S.r.l.
Domicile: Corso Porta Vittoria ,18 -20122 Milan
Companies Register no.: 06785950152
Office: Statutory Auditor
Duration: Approval of 2009 Financial Statements

Company name: SAES Getters S.p.A.
Domicile: Viale Italia , 77 – 20020 Lainate (MI)
Companies Register no.: 00774910152
Office: Statutory Auditor
Duration: Approval of 2011 Financial Statements

Company name: SAES Advanced Technologies S.p.A.
Domicile: Casella postale 93 -67051 Avezzano
Companies Register no.: 01277610661
Office: Statutory Auditor
Duration: Approval of 2011 Financial Statements

Company name: Gruner + Jahr Mondadori S.p.A.
Domicile: Corso Monforte . 54- 20121 Milan
Companies Register no.: 09440000157
Office: Chairman of Board of Statutory Auditors
Duration: Approval of 2010 Financial Statements

Company name: IN-FI Industriale Finanziara S.p.A
Domicile: Via Stradivari 4 – 20131 Milan
Companies Register no.: 04243520154
Office: Statutory Auditor
Duration: Approval of 2010 Financial Statements

Company name: S. Angelo Romano S.r.l.
Domicile: Via Stradivari , 4 – 20131 Milan
Companies Register no.: 03287650158
Office: Statutory Auditor
Duration: Approval of 2010 Financial Statements

Company name: Immobiliare Firmitas S.r.l.
Domicile: Via Turati n. 7 – 20121 Milan
Companies Register no.: 03488010152
Office: Sole Director
Duration: until revoked

Company name: Acinnova S.r.l.
Domicile: Corso Venezia , 43 – 20121 Milan
Companies Register no.: 08126680159
Office: Statutory Auditor
Duration: until next Shareholders' meeting

Company name: MISHMASH S.r.l.
Domicile: Via A. Stradivari , 4 – 20131 Milan
Companies Register no.: 13008430152
Office: Statutory Auditor
Duration: three years

Company name: G.P.I. Gruppo Progettazioni Integrali S.r.l. in liquidazione
Domicile: Via Turati, 7 – 20121 Milan
Companies Register no.: 02085400154
Office: Liquidator
Duration: until revoked

Company name: Tartana di Alessandro Martinelli & C.
Domicile: Via Turati, 7 – 20121 Milan
Companies Register no.: 01751160159
Office: Liquidator
Duration: until revoked



Independent Auditors' report

**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.

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, 2009, comprising the statement of financial position, the statement of income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Italian Legislative Decree n.° 38/2005 is the responsibility of the Saes Getters S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was made in accordance with 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 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.

The consolidated financial statements of the prior year are presented for comparative purposes. As reported in the explanatory notes, management has restated certain comparative data related to the prior year with respect to the data previously presented, on which we issued our auditor's report dated March 20, 2009. We have examined the methods adopted to restate the comparative financial data and the information presented in the explanatory notes in this respect, for the purpose of our opinion as of and for the year ended December 31, 2009.

In our opinion, the consolidated financial statements of the SAES Group at December 31, 2009 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of 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.

The management of Saes Getters S.p.A. is responsible for the preparation of the Report on Operations and the Report on Corporate Governance and on the company's ownership structure in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Report on Operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n.° 58/1998, paragraph 1, letters c), d), f),



l), m) and paragraph 2, letter b) presented in the Report on Corporate Governance and on the company's ownership structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n° 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) presented in the Report on Corporate Governance and on the company's ownership structure, are consistent with the consolidated financial statements of the SAES Group as of December 31, 2009.

Milan, April 6, 2010

Reconta Ernst & Young S.p.A.
signed by: Gabriele Grignaffini, partner



**Report on Operation of the
SAES Getters S.p.A.**

Financial highlights of SAES Getters S.p.A.

(thousands of euro)

Income statement data	Year 2009	Year 2008	Difference	Difference %
NET SALES				
- Information Displays	9,995	15,625	(5,630)	-36.0%
- Industrial Applications	5,343	5,470	(127)	-2.3%
- Shape Memory Alloys	768	615	153	24.9%
- Advanced Materials & Corporate Costs	288	250	38	15.2%
Total	16,394	21,960	(5,566)	-25.3%
GROSS PROFIT				
- Information Displays	(463)	984	(1,447)	-147.1%
- Industrial Applications	2,393	1,646	747	45.4%
- Shape Memory Alloys	60	(100)	160	160.0%
- Advanced Materials & Corporate Costs	(709)	(338)	(371)	-109.8%
	1,281	2,192	(911)	-41.6%
% on sales	7.8%	10.0%		
EBITDA (1)	(24,303)	(22,852)	(1,451)	-6.3%
% on sales	-148.2%	-104.1%		
Adjusted EBITDA (2)	(17,062)	(22,852)	5,790	25.3%
% on sales	70.2%	-104.1%		
OPERATING INCOME (LOSS)	(27,391)	(26,882)	(509)	-1.9%
% on sales	-167.1%	-122.4%		
Adjusted OPERATING INCOME (LOSS) (3)	(20,572)	(26,882)	6,310	-23.5%
% on sales	-125.5%	-122.4%		
NET INCOME	(1,383)	26,398	(27,781)	-105.2%
% on sales	-8.4%	120.2%		
Balance Sheet and Financial data	December 31, 2009	December 31, 2008	Difference	Difference %
Property, plant and equipment, net	15,577	18,422	(2,845)	-15.4%
Shareholders' equity	83,603	99,375	(15,772)	-15.9%
Net financial position	(9,031)	(4,094)	(4,937)	-120.6%
Other information			Difference	Difference %
Cash flow from operating activities	(23,999)	(19,495)	(4,504)	-23.1%
Research & development expenses (4)	11,678	13,708	(2,030)	-14.8%
Number of employees as at 31 December**	214	276	(62)	-22.5%
Personnel cost (5)	17,015	17,249	(234)	-1.4%
Purchase of property, plant and equipment	1,303	1,971	(668)	-33.9%

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

2) For Adjusted EBITDA we intend EBITDA rectified in order not to include non recurring items and in any case items considered by the management as not meaningful with reference to the current operating performance. Please refer for the calculation to the table "Non recurring income and expenses".

3) Net of non-recurring costs and other costs considered by the management as not meaningful with reference to the current operating performance. Please refer for the calculation to the table "Non recurring income and expenses".

** Includes staff employed by the Company other than contracts of employment and personnel of Taiwan Branch and the Japan Branch
Please note that 2008 figures were reclassified to enable a coherent comparison;

- figures related to the business of getters for microelectronic and micromechanical systems (MEMS) previously included in the Advanced Materials Business Development Unit, have been allocated to the Electronic Devices Business, inside the Industrial Applications Business Unit;
- sales related to getters for solar collectors previously included in the Electronic Devices Business, have been reclassified into the Vacuum Systems and Thermal Insulation Business;
- following the change of the information system, in 2009 it was completed a study to make the criteria of allocation of operating costs to the various business units more consistent with the changed market situation and with the strategic repositioning of the SAES Getters Group.

4) Research & development expenses include in 2009 non recurring costs equal to 1,457 thousand of euro.

5) In 2009 personnel cost includes non recurring expenses equal to 3,331 thousand of euro; in 2008 one-off costs were equal to 904 thousand of euro.

Report on operations

The organizational structure of SAES Getters S.p.A., as the Parent Company (also referred to hereinafter as the "Company"), consists of three Business Units, Information Displays, Industrial Applications and Shape Memory Alloys, and one Business Development Unit, Advanced Materials.

Information Displays Business Unit

Liquid Crystal Displays	Getters and metal dispensers for flat 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 and getters for microelectronic and micromechanical systems (MEMS).
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems, getters for solar collectors and products for thermal insulated devices.
Semiconductors	Gas purifier systems for the semiconductor industry and other industries.

Shape Memory Alloys Business Unit

Shape Memory Alloys	Shape Memory Alloys.
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Advanced Materials Business Development Unit

Advanced Materials	Dryers and highly sophisticated getters for OLED and sealants for solar panels.
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Net sales were 16,394 thousand euro in 2009, down 25.3% from the 21,960 thousand euro reported in 2008.

The decrease was primarily due to the lesser sales of mercury dispensers used in cold cathode fluorescent lamps for the backlighting of liquid crystal displays (Liquid Crystal Displays Business) and of cathode ray tubes in the Cathode Ray Tubes Business due to the market's high degree of maturity.

EBITDA for the year came to a negative 24,303 thousand euro, compared to a negative 22,852 thousand euro in 2008: net of the non-recurring costs for the year, the adjusted EBITDA came to 17,062 thousand euro.

The operating loss came to 27,391 thousand euro in 2009, compared to 26,882 thousand euro in 2008. The operating loss includes 6,819 thousand euro in non-recurring costs, of which 5,732 thousand euro in write-downs and staff restructuring expenses and 1,447 thousand euro in the career bonus for Paolo della Porta. Net of these expenses, the operating loss came to 20,572 thousand euro.

The following table shows the details of non-recurring expenses and income as of December 31, 2009:

Non recurring income and expenses - 12 months ended December 31, 2009

(thousands of euro)

	Income	Expenses	Total
Cost of sales			
Amortization, depreciation and write down	0	(206)	(206)
Severance and other personnel indemnities	20	(599)	(579)
Other expenses	0	(21)	(21)
Total cost of sales	20	(826)	(806)
Operating expenses			
Amortization, depreciation and write down	0	(2,918)	(2,918)
Severance and other personnel indemnities	278	(2,732)	(2,454)
Stock and cash grant	0	(1,447)	(1,447)
Total operating expenses	278	(7,097)	(6,819)
Other income (expenses), net			
Other income and expenses	547	(163)	384
Total other income (expenses), net	547	(163)	384
Financial income (expenses)			
Write down of intercompany investments	0	(4,820)	(4,820)
Total financial income (expenses)	0	(4,820)	(4,820)
Income before taxes	845	(12,906)	(12,061)

Dividends, net financial income, net exchange gains and write-downs of equity investments in subsidiaries came to 22,588 thousand euro in 2009, down from 46,863 thousand euro in the previous year, primarily owing to the lesser dividends collected, which amounted to 31,215 thousand euro in 2009 compared to 49,189 thousand euro in 2008, and the increase in write-downs of equity investments in subsidiaries, which stood at 4,820 thousand euro in 2009 compared to 565 thousand euro in 2008.

The net loss for 2009 was 1,383 thousand euro, compared to a net income of 26,398 thousand euro in 2008.

Financial position as of December 31, 2009 stood at net debt of 9,031 thousand euro compared to net debt of 4,094 thousand euro as of December 31, 2008.

Research, Development and Innovation Activities – Parent Company

During 2009, research and innovation activity was intense and focused primarily on large diversification projects in the area of new getters for OLED displays and the field of shape-memory materials.

In the OLED field, activity concentrated on the development of the third generation of products, the "AqvaDry®", a transparent organic getters which alongside the DryFlex® and DryPaste® families testify the Company's impressive development efforts in this sector. OLED technology is highly important to SAES Getters because in coming years it will take up a position alongside LCD technology on the display market and will also be used in lamps for domestic lighting. To date, SAES Getters is the only company to have introduced a transparent organic getter that is entirely compatible with the structure of an OLED display from a chemical standpoint. These getters have triggered great interest at manufacturers' development centers and initial tests have identified areas of

improvement on which we will concentrate in the coming months.

Activity in the area of lamps for home and industrial use was also highly intense. The domestic sector is currently witnessing a technological revolution that in the next few years will lead to the replacement of the market of traditional filament lamps with mini-HID (High Intensity Discharge) and CFL (Compact Fluorescent Lamps) devices. In 2009, drawing on its historical collaboration with Osram and Philips, the Company embarked upon the study of new products for these new lamps. New families of TQS® with low mercury content were placed on the market, allowing SAES to further consolidate the position of leadership on this market that it has occupied for fifteen years.

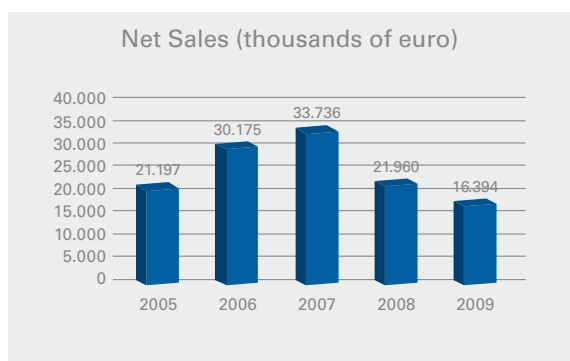
The Company continued to develop getters for lithium batteries and super-condensers, which will be used in hybrid cars in coming years. The Company's efforts in the renewable energy sector also included the continuation of an important process of providing samples of B-Dry® to the market. The first market development for this product is expected to occur over the next few months. Interesting developments are also underway in the vacuum systems sector. This work will lead SAES to expand its product catalogue to include new and more sophisticated pumps.

In the SMA field, activity involving components for industrial applications has been especially intense. In particular, industrial development activity in 2009 focused on working with external entities and end users to develop genuine devices integrating SMA technology in the form of wires. This result was achieved thanks to the creation of a group of mechatronic engineers at the central laboratories in Lainate. In 2009, this development work already resulted in several qualification processes for actual certification of the manufacturing process for SMA wires for automotive and consumer electronics applications in accordance with ISO TS quality standards. These processes were brought to a positive conclusion. Other qualification processes are scheduled for early 2010. This is the result of the significant business innovation and development effort devoted to industrial applications for shape-memory alloys. Basic research on new SMA alloys with high transition temperatures and low impurity content also continued. Currently the Company is defining important collaborative arrangements with leading European universities in order to speed up this development, which is highly important to both fields of application.

For further details on research, development and innovation activities, the reader is referred to the Information on the Group's Operations.

Sales and net income for the year ended December 31, 2009

Net sales were 16,394 thousand euro in 2009, down 25.3% from the 21,960 thousand euro reported in 2008.



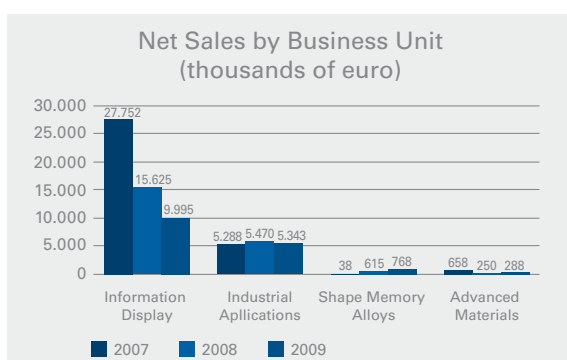
The Information Displays Business Unit reported a decrease, primarily due to the contraction of the LCD market, and the decline in the market for barium getters for cathode ray tubes. The Industrial Applications and Shape Memory Alloys Business Units' performances remained in line with the previous year's results.

The following table shows a breakdown of

sales by Business Unit. Sales of getter solutions for MEMS in 2009 have been reclassified from the Advanced Materials Business Unit to the Industrial Applications Business Unit. The amount reclassified came to 1,142 thousand euro in 2007, 1,150 thousand euro in 2008 and 1,824 thousand euro in 2009. .

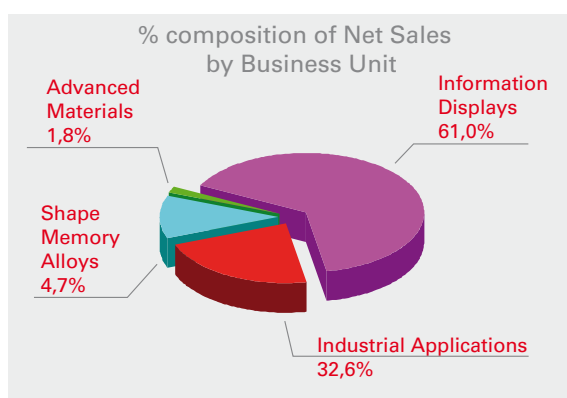
(thousands of euro)

Business Unit e Business Area	Year 2009	Year 2008	Year 2007	Difference	Difference %	Price quantity/ effect %	Exchange rate effect %
Liquid Crystal Displays	9,964	13,425	22,174	(3,461)	-25.8%	-29.6%	3.8%
Cathode Ray Tubes	31	2,200	5,578	(2,169)	-98.6%	-98.6%	0.0%
Subtotal Information Displays	9,995	15,625	27,752	(5,630)	-36.0%	-39.5%	3.5%
Lamps	488	542	644	(54)	-10.0%	-11.4%	1.4%
Electronic Devices	3,885	3,827	3,988	58	1.5%	1.5%	0.0%
Vacuum Systems and Thermal Insulation	970	1,101	645	(131)	-11.9%	-12.1%	0.2%
Semiconductors	0	0	11	0	0.0%	0.0%	0.0%
Subtotal Industrial Applications	5,343	5,470	5,288	(127)	-2.3%	-2.5%	0.2%
Subtotal Shape Memory Alloys	768	615	38	153	24.9%	24.7%	0.2%
Subtotal Advanced Materials	288	250	658	38	15.2%	15.0%	0.2%
Total Net Sales	16,394	21,960	33,736	(5,566)	-25.3%	-28.2%	2.9%



Net sales in the **Information Displays Business Unit** totaled 9,995 thousand euro, a decrease of 5,630 thousand euro compared to 2008. Currency trends produced a positive exchange rate effect of 3.5%. The Business Unit reported an overall decline of 36% compared to the previous year due to the contraction of the Liquid Crystal Displays market and the maturity of the Cathode Ray Tubes market.

Net sales in the **Industrial Applications Business Unit** totaled 5,343 thousand euro, down by 2.3% on last year's figure. Currency trends produced a positive exchange rate effect of 0.2%. The decline was concentrated in the Electronic Devices Business Area, partially offset by the increase in getter solutions for MEMS.



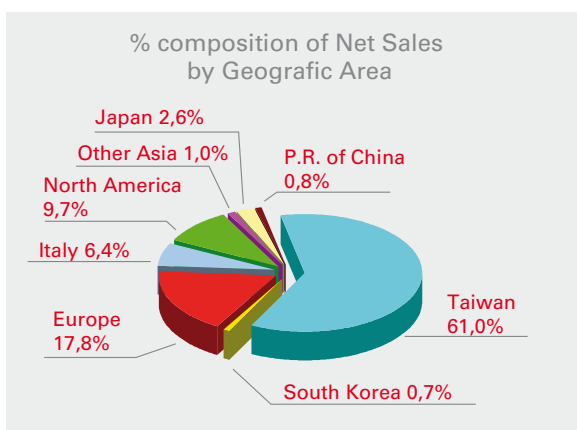
Net sales in the **Shape Memory Alloys Business Unit** were 768 thousand euro, up on the 153 thousand euro reported in the previous year due to re-sales of raw materials purchased from third parties to other associates.

The net sales of the **Advanced Materials Business Development Unit** came to 288 thousand euro, marking an increase of 15.2% compared to the previous year, primarily owing to sales in the Other Flat Panels Business.

A breakdown of net sales by geographical location of customers is provided below:

(thousands of euro)

Geographic Area	Year 2009	%	Year 2008	%	Difference	Difference %
Italy	1,042	6.4%	599	2.7%	443	74.0%
Other UE and Europe	2,919	17.8%	3,470	15.7%	(551)	-68.6%
North America	1,587	9.7%	1,668	7.6%	(81)	-4.9%
Japan	423	2.6%	332	1.5%	91	27.4%
P.R. of China	131	0.8%	1,362	6.2%	(1,231)	-90.4%
South Korea	119	0.7%	66	0.3%	53	80.3%
Taiwan	10,003	61.0%	13,740	62.6%	(3,737)	-27.2%
Other Asia	170	1.0%	721	3.3%	(551)	-76.4%
Other	0	0.0%	2	0.0%	(2)	-100.0%
Total Net Sales	16,394	100.0%	21,960	100.0%	(5,566)	-25.3%



Net sales were down across nearly all geographical segments, and Asia in particular, with the exception of the Italian market.

The following table breaks down gross profit for 2009 and 2008 by Business Unit:

Gross profit was 1,281 thousand euro in 2009 compared to 2,192 thousand euro in 2008 (thousands of euro)

	Year 2009	Year 2008	Difference 2009/2008	Difference %
Information Displays	(463)	984	(1,447)	-147.1%
Industrial Applications	2,393	1,646	747	45.4%
Shape Memory Alloys	60	(100)	160	160.0%
Advanced Materials & Corporate Costs	(709)	(338)	(371)	-109.8%
Gross profit	1,281	2,192	(911)	-41.6%

2008. Gross profit, as a percentage of net sales, fell from 10% in 2008 to 7.8% in 2009 due to the different product mix.

The following table shows the operating income by Business Unit in 2009 and 2008, gross of non-recurring and restructuring expenses.

(thousands of euro)

	Year 2009	Year 2008	Difference 2009/2008	%
Information Displays	(2,216)	(967)	(1,249)	-129.2%
Industrial Applications	(1,023)	(2,908)	1,885	64.8%
Shape Memory Alloys	(1,732)	(2,043)	311	15.2%
Advanced Materials & Corporate Costs	(22,420)	(20,964)	(1,456)	-6.9%
Operating Income (Loss)	(27,391)	(26,882)	(509)	-1.9%

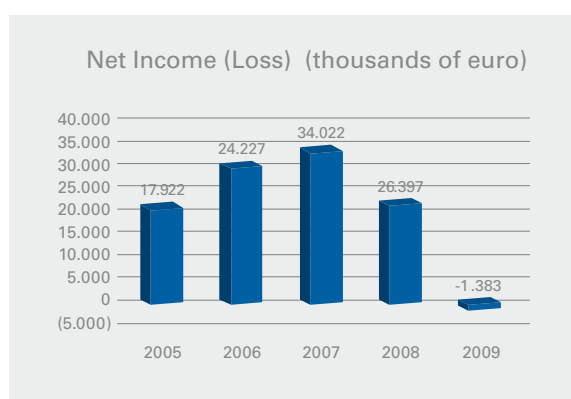
The **operating loss** came to 27,391 thousand euro in 2009, compared to 26,882 thousand euro in 2008.

The operating loss includes 1,447 thousand euro in non-recurring expenses associated with the career bonus for Paolo della Porta, 810 thousand euro in restructuring expenses consisting of the write-down of the non-strategic production lines, 2,313 thousand euro in the partial write-down of the new information technology system and 2,454 thousand euro in staff restructuring costs.

Research and development expenses not capitalized inasmuch as they did not satisfy the compulsory capitalization requirements set forth in IAS 38 came to 11,678 thousand euro compared to 13,708 thousand euro in 2008. As a percentage of net sales, they amounted to 71.2% in 2009 compared to 62.4% in the previous year.

The income tax position came to net tax credits of 3,390 thousand euro compared to net tax credits of 6,368 thousand euro in the previous year.

Net income or loss is shown in the following chart:



The net loss for 2009 was 1,383 thousand euro, compared to a net income of 26,397 thousand euro in 2008.

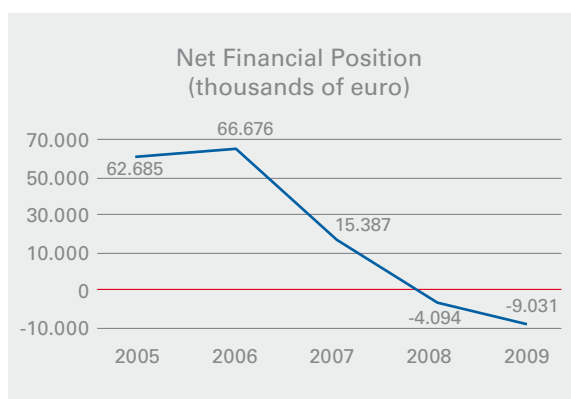
Financial position – Investments – Other information

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

(thousands of euro)

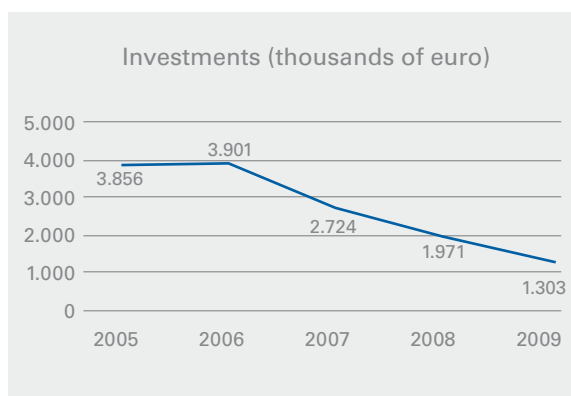
	December 31, 2009	December 31, 2008	Difference
Cash on hand	3	18	(15)
Cash equivalents	3,656	13,734	(10,078)
Total cash and cash equivalents	3,659	13,752	(10,093)
Current financial assets*	10,655	364	10,291
Bank overdraft	(4,002)	0	(4,002)
Current portion of long term debt	(816)	(1,019)	203
Other current financial liabilities*	(17,498)	(15,348)	(2,150)
Total current liabilities	(22,316)	(16,367)	(5,949)
Current net financial positions	(8,002)	(2,251)	(5,751)
Long term debt, net of current portion	(1,029)	(1,843)	814
Total non current liabilities	(1,029)	(1,843)	814
Net financial position	(9,031)	(4,094)	(4,937)

*current financial payables to and receivables from Group companies.



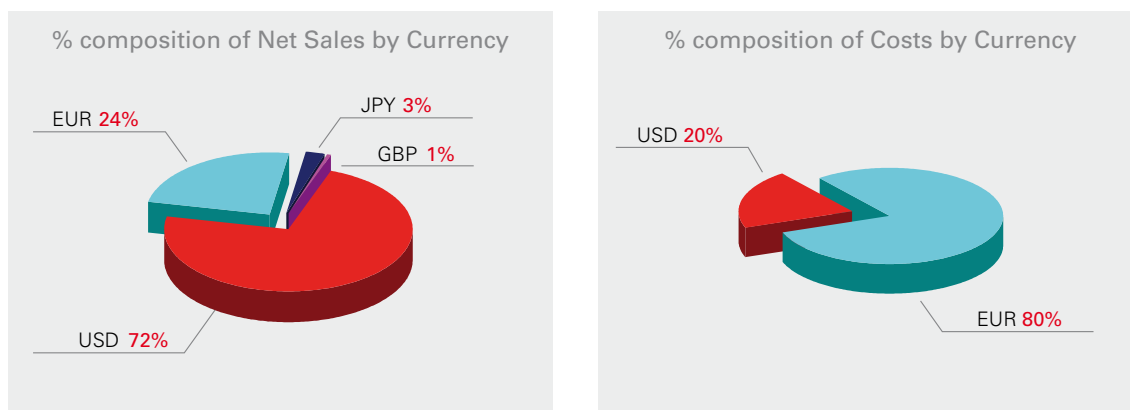
Financial position came to net debt of 9,031 thousand euro as of December 31, 2009, the result of cash and cash equivalents of 3,659 thousand euro, financial assets of 10,655 thousand euro, and financial liabilities of 23,345 thousand euro, compared to net debt of 4,094 thousand euro as of December 31, 2008. The increase in debt compared to December 31, 2008 was mainly due to the decrease in cash and cash equivalents and the concurrent rise in current financial debt.

As of December 31, 2009, bank overdrafts came to 4,002 thousand euro inasmuch as the Company drew upon this form of revolving credit facility.



In 2009, investments in property, plant and equipment came to 1,303 thousand euro (1,971 thousand euro in 2008).

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



Related Parties Transactions

Transactions with Related Parties are identified on the basis of IAS 24 and article 2359 of the Civil Code. Transactions with subsidiaries continued in 2009. Transactions were undertaken with such counterparties 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. Interest-bearing cash pooling agreements are in force with several Group companies. All agreements entered into were at arm's length conditions. The main transactions with the subsidiaries, associates or joint ventures of the SAES Group were as follows:

SAES ADVANCED TECHNOLOGIES S.p.A. - Avezzano AQ (Italy)

Revenue from royalties relating to the sale of getters for industrial applications; charge-backs relating to the use of software licenses purchased centrally; the charge-back of centrally managed insurance costs; revenue on the charge-back of centralized group services; the purchase of mercury dispensers used in liquid crystal displays; and 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. On September 28, 2009, the companies entered into a purchase and sale agreement for the business units engaged in the manufacture and processing of HPTF screen-printing and porous disk getters, barium getters, and alkaline metal dispensers: the transfer of the associated assets and materials was completed in December 2009.

SAES GETTERS USA, INC. - Colorado Springs, CO (USA)

Getter sales; purchases of finished products; charge-backs of centrally managed insurance costs; revenue on the charge-back of centralized group services and revenue on the use of the SAES brand. In addition, an interest-bearing cash-pooling agreement is in effect.

SAES GETTERS AMERICA, INC. - Cleveland, OH (USA)

Getter purchases and sales; revenue on the use of the SAES brand; the charge-back of centrally managed insurance costs; and revenue on the charge-back of centralized group services.

SAES PURE GAS, INC. – San Luis Obispo, CA (USA)

Revenue on licensing rights for purifier sales; the charge-back of centrally managed insurance costs; and revenue on the charge-back of centralized group services.

SAES SMART MATERIALS, INC. – New York, NY (USA)

Resale of raw materials used in the manufacture of Nitinol; the charge-back of centrally managed insurance costs; and revenue on the charge-back of centralized group services. Borrower under an interest-bearing loan agreement terminated on October 31.

SPECTRA-MAT. Inc., - Watsonville, CA (USA)

Revenue on the charge-back of centralized group services and the charge-back of centrally managed insurance costs.

SAES GETTERS KOREA CORPORATION – Seoul (South Korea)

Getter sales; revenue on the use of the “SAES” brand; charge-backs relating to the use of centrally acquired software licenses; charge-backs of centrally managed insurance costs; revenue on charge-backs of centralized group services; and fee expenses for commercial dealings. In addition, an interest-bearing cash-pooling agreement is in effect.

SAES GETTERS JAPAN CO., LTD. - Tokyo (Japan)

Getter sales; the charge-back of centrally managed insurance costs; and revenue on the charge-back of centralized group services. Party to an interest-bearing cash-pooling agreement terminated on November 30 and replaced by a non-interest bearing intercompany loan agreement effective December 1.

The subsidiary discontinued its operations as part of the Group’s restructuring plan. The Group will continue to serve the market in question through the Japanese branch incorporated on August 28, 2009 to provide technical support to Group companies that sell products in Japan.

SAES GETTERS SINGAPORE PTE, LTD. – Singapore (Singapore)

Getter sales. Party to an interest-bearing cash-pooling agreement terminated on March 31 and replaced by a non-interest bearing intercompany loan agreement effective April 1, 2009.

As part of the Group’s restructuring plan, the subsidiary discontinued operations in the first half of 2009 and initiated the liquidation process, which should be completed in the first half of 2010.

SAES GETTERS (DEUTSCHLAND) GmbH - Köln (Germany)

Commission expenses related to commercial transactions. Party to an interest-bearing cash-pooling agreement terminated on November 30 and replaced by a non-interest bearing intercompany loan agreement effective December 1, 2009.

The company, which acts as an agent in the distribution of the Group’s products, discontinued operations in the second half of 2009 and will be liquidated in 2010.

SAES GETTERS (GB) LTD. – Daventry (United Kingdom)

Commission expenses related to commercial transactions. Party to an interest-bearing intercompany loan agreement, amended to a non-interest bearing loan effective December 1, 2009. The company, which acts as an agent in the distribution of the Group’s products, discontinued operation in the second half of 2009 and will be liquidated in 2010.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A. – Luxembourg (Luxembourg)
No transactions.

SAES GETTERS (NANJING) CO., LTD. – Nanjing (P.R. of China)
Revenue on the charge-back of centralized group services; commission expenses relating to commercial dealings; charge-backs relating to the use of centrally acquired software licenses; and charge-backs of centrally managed insurance costs.

NANJING SAES HUADONG VACUUM MATERIAL CO., LTD. - Nanjing (P.R. of China)
No transactions.

SAES GETTERS TECHNICAL SERVICE (Shanghai) CO., LTD. – Shanghai (P.R. of China)
No transactions. Liquidation of the company was completed on May 21, 2009.

SAES OPTO S.r.l. – Lainate, MI (Italy)
Revenue on the charge-back of centralized group services and the charge-back of centrally managed insurance costs. In addition, an interest-bearing cash-pooling agreement is in effect.
On December 18, 2009, SAES Opto S.r.l. sold Scientific Materials Europe S.r.l. its investment in Opto Materials S.r.l. (formerly known as SAES Opto Materials S.r.l.) for consideration of 880 thousand euro. As a result of the Group's decision to exit the optoelectronics business, viewed as non-strategic, SAES Opto S.r.l. will be liquidated in 2010.

MEMRY GmbH – Weil am Rhein (Germany) (formerly Dr.-Ing Mertmann Memory-Metalle GmbH)
Purchases of nickel alloy wire and charge-backs of centralized group services. In addition, an interest-bearing loan agreement is in effect.

MEMRY CORPORATION – Bethel, CT (USA)
Purchases of Nitinol; revenue on the charge-back of centralized group services; and the charge-back of centrally managed insurance costs.

SAES GETTERS EXPORT CORP., Wilmington, DE (USA)
No transactions.

In clarification of the foregoing, it should be noted that the Company has entered into agreements for the provision of commercial, technical, information technology, legal, and financial services and the study of specific products with the following 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 (Nanjing) Co., Ltd., Spectra-Mat. Inc., SAES Smart Materials, Inc., and Memry Corporation).

The Company manages and coordinates SAES Advanced Technologies S.p.A., based in Avezzano, Italy, under the meaning given in articles 2497 et seq. of the Italian Civil Code.

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

Comments on the most significant transactions undertaken during 2009 are given in the 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 31.12.09	Payables as of 31.12.09	Revenues Year 2009	Services Year 2009	Expenses Year 2009	Memorandum Accounts as of 31.12.09*
SAES Advanced Technologies S.p.A.	9,254	1,668	2,172	1,506	8,970	0
SAES Getters USA, Inc.	74	9,503	232	117	60	4,000
SAES Getters America, Inc.	109	106	868	52	0	0
SAES Pure Gas, Inc.	325	0	47	425	0	0
SAES Smart Materials Inc.	0	44	609	27	50	0
Spectra-Mat, Inc.	89	0	3	120	0	0
Memry Corporation	362	0	6	711	7	0
SAES Getters Korea Corporation	46	7,635	212	108	64	0
SAES Getters Japan Co.Ltd.	3,601	0	487	38	0	2,500
SAES Getters Singapore Pte Ltd.	0	0	3	0	358	1,700
SAES Getters Deutschland GmbH	39	0	2	0	33	0
SAES Getters GB Ltd.	0	0	9	0	17	300
SAES Getters (Nanjing) Co.Ltd.	93	1	5	114	0	0
Memry GmbH	287	3	6	6	4	0
Opto Materials Srl	0	0	39	5	944	0
SAES Opto Srl	1	427	9	15	0	0
Total	14,280	19,387	4,709	3,244	10,507	8,500

*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. It is substantially controlled by the former parties to the SAES Getters Shareholders' Agreement and is the Company's majority shareholder. As of the reporting date, it held 7,958,920 ordinary shares, representing 52.12% of ordinary capital with voting rights.
- As regards the majority interest held by S.G.G. Holding S.p.A., it should be noted that said company does not manage or coordinate SAES Getters S.p.A. within the meaning given in article 2497 of the Civil Code. On the basis of the assessments conducted by the Board of Directors, it was determined 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 a national tax consolidation agreement was signed with the controlling company S.G.G. Holding S.p.A. on May 12, 2005 and then renewed for the following three years on June 12, 2008, 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. As a result of the tax consolidation process, at the end of 2009 the Company claimed a total of 4,668 thousand euro in receivables from S.G.G. Holding S.p.A.
- It should further be noted that, pursuant to article 2428, paragraphs 3 and 4, of the Italian Civil Code, the Company does not own shares of the controlling company,

- either directly or through trusts or intermediaries. During 2009, no transactions were undertaken involving the purchase or sale of shares of the controlling company.
- **KStudio Associato**, a tax, legal and financial consultancy firm whose founding member is Vincenzo 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 23 thousand euro.
 - **Managers with strategic responsibilities**: these include the members of the Board of Directors, including non-executive directors, the Corporate Human Resources Manager, Corporate Strategic Marketing Manager, Corporate Operations Manager, SMA Medical Business Unit Manager, Group General Counsel and Group Business Development Manager.
 - the **Board of Statutory Auditors**.

The following table details balance sheet and income statement dealings with Related Parties other than subsidiaries, associates and joint ventures:

(thousands of euro)

Company	Receivables as of 31.12.2009	Payables as of 31.12.2009	Revenues Year 2008	Expenses Year 2008
S.G.G. Holding S.p.A.	4,668	0	0	0
KStudio Associato	0	0	0	23
Total	4,668	0	0	23

In accordance with the Consob notices of February 20, 1997 and February 28, 1998 and IAS 24, we report that in 2009 all related party transactions were undertaken at arm's-length conditions and that 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

Compensation

(thousands of euro)

	Year 2009	Year 2008
Short-term employees benefits	3,713	3,381
Post-employment benefits	0	0
Other long-term benefits	0	0
Termination benefits	305	743
Share-based payments	863	0
Total compensations to key management personnel	4,881	4,123

For details of the compensation paid to Directors, the reader is referred to Note 7, which contains the information required by Consob Regulation – Annex 3C.

Investments

(pursuant to article 79 of Consob resolution no. 11971 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.	4,600	8,811	0	13,411	Ordinary shares ⁽⁴⁾
		6,008	0	0	6,008	Saving shares
della Porta Giuseppe	SAES Getters S.p.A.	10,000	0	0	10,000	Ordinary shares
		0	0	0	0	Saving shares
della Porta Massimo	SAES Getters S.p.A.	5,000	0	0	5,000	Ordinary shares
		0	0	0	0	Saving shares
della Porta Paolo (**)	SAES Getters S.p.A.	24,048	100,000	0	124,048	Ordinary shares ⁽⁵⁾
		12,008	0	0	12,008	Saving shares ⁽¹⁾
Dogliotti Andrea	SAES Getters S.p.A.	96,641	2,500	0	99,141	Ordinary shares ⁽³⁾
		0	0	0	0	Saving shares
Gilardoni Andrea	SAES Getters S.p.A.	12,400	3,355	7,000	8,755	Ordinary shares
		10,000	8,200	8,000	10,200	Saving shares
Rolando Giuseppe (**)	SAES Getters S.p.A.	25,400	0	0	25,400	Ordinary shares ⁽²⁾
		9,676	0	0	9,676	Saving shares ⁽¹⁾
Di Bartolomeo Nicola	SAES Getters S.p.A.	500	0	0	500	Ordinary shares
		0	0	0	0	Saving shares

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

(**) Paolo della Porta and Giuseppe Rolando left the charge of Directors as at April 21, 2009; "end of current year" means December 31, 2009.

(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

(4) of which no. 790 registered to a spouse who is not legally separated (no. 500 bought during the year 2009)

(5) 100,000 (one hundred thousand) ordinary shares of SAES assigned as career bonus on April 28, 2009.

Additional information about the Company

For information concerning:

- the performance of subsidiaries;
- research, development and innovation activities;
- significant events that occurred after the end of the year; and
- 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 in light of the technical specifications for minimum security measures that form Annex B of the aforementioned Legislative Decree. The 2009 Security Policy Document was approved on March 15, 2010.

The Company has two branch offices, one in Jhubei City (Taiwan) and one in Tokyo (Japan).

The disclosures concerning ownership structure required under paragraph 1 of article 123-bis of Legislative Decree No. 58/98 (Consolidated Finance Act) are provided in the Company's Corporate Governance Report, which is included in the financial statement package and has been published in the Corporate Documentation area of the Investor Relations section of the Company's website, www.saesgetters.com.

The reporting year, 2009, was the second consecutive period in which the Company satisfied the requirements for being considered to engage primarily, although not in relation to the public, in the activities detailed in article 106, paragraph 1, of Legislative Decree No. 385 of September 1, 1983 (the Consolidated Banking Act). Accordingly, the Company is required to register in the special section of the general list as specified in article 113 of the Consolidated Banking Act. Registration shall be completed within sixty days of the date of approval of the 2009 Financial Statements, as required by article 2, paragraph 3, of the Ministerial Decree of July 6, 1994.

Proposal to approve Financial Statements and coverage of net losses

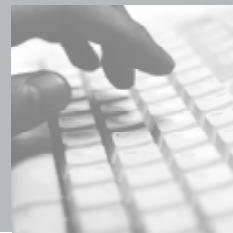
Shareholders,

We hereby submit for your approval the proposal that the net loss for the year of 1,382,994.94 euro be covered through the use of the "Retained earnings reserve".

Following this use, the reserve in question will present a residual balance of 21,542,934.84 euro.

Lainate (MI) Italy, March 15, 2010

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



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**Separate financial statement
of SAES Getters S.p.A. for the
year ended December 31, 2009**

Income Statement

(euro)

	Notes	Year 2009	Year 2008
Third party net sales		14,064,075	18,466,290
Intercompany net sales		2,330,045	3,493,959
Total net sales	4	16,394,120	21,960,249
Third party cost of sales		(6,170,980)	(7,556,105)
Intercompany cost of sales		(8,942,124)	(12,212,150)
Total cost of sales	5	(15,113,104)	(19,768,255)
Gross profit		1,281,016	2,191,994
Research & development expenses	6	(11,678,015)	(13,708,068)
Selling expenses	6	(4,350,704)	(4,275,985)
General & administrative expenses	6	(18,427,905)	(16,551,987)
Total operating expenses		(34,456,624)	(34,536,040)
Other third party income (expenses), net		485,580	97,309
Other intercompany income (expenses), net		5,298,771	5,365,091
Total other income (expenses), net	7	5,784,351	5,462,400
Operating income (loss)		(27,391,257)	(26,881,646)
Dividends	8	31,215,138	49,189,236
Third party financial income		39,742	1,009,646
Intercompany financial income		331,233	0
Total financial income	8	370,975	1,009,646
Third party financial expenses		(254,010)	(285,938)
Intercompany financial expenses		(448,707)	(417,208)
Total financial expenses	8	(702,717)	(703,146)
Foreign exchange gains (losses), net	9	(131,696)	(294,100)
Write down of intercompany investments	10	(4,820,000)	(564,705)
Income before taxes		(1,459,557)	21,755,285
Income taxes	11	3,389,704	6,368,180
Net income (loss) from continuing operations		1,930,147	28,123,465
Net income (loss) from discontinuing operations	12	(3,313,142)	(1,725,910)
Net income (loss)		(1,382,995)	26,397,555

Statement of comprehensive income

(euro)

	Notes	Year 2009	Year 2008
Net income (loss) for the period		(1,382,995)	26,397,555
Other total Income (Loss)		0	0
Total income (loss), net of income taxes		(1,382,995)	26,397,555

Statement of financial position

(euro)

ASSETS	Notes	December 31, 2009	December 31, 2008
Non Current Assets			
Property, plant and equipment, net	13	15,577,300	18,422,226
Intangible assets, net	14	2,401,126	4,156,399
Investments and other financial activities	15	73,320,312	78,967,104
Intercompany financial credits	17	0	2,029,040
Non current tax consolidation receivables	22	1,282,560	1,137,008
Deferred tax assets	16	1,253,595	886,407
Other long term assets		59,599	25,466
Total Non Current Assets		93,894,492	105,623,650
Current Assets			
Inventory	18	588,430	1,064,751
Third party trade receivables		2,342,931	1,365,384
Intercompany trade receivables		3,612,946	3,849,320
Trade receivables	19	5,955,877	5,214,704
Intercompany financial credits	17	10,655,313	364,100
Tax consolidation receivables	21	3,385,218	5,392,853
Prepaid expenses, accrued income and orther	22	2,123,700	3,135,771
Cash and cash equivalents	23	3,659,440	13,751,817
Continuing operations activities	12	436,948	0
Total Current Assets		26,804,926	28,923,996
Total Assets		120,699,418	134,547,646
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital stock		12,220,000	12,220,000
Share issue premium		41,119,940	39,658,940
Treasury shares		(10,177,141)	(11,638,141)
Legal reserve		2,444,000	2,444,000
Sundry reserves and retained earnings		39,379,359	30,292,945
Net income (loss) for the period		(1,382,995)	26,397,555
Shareholders' Equity	24	83,603,163	99,375,299
Non Current Liabilities			
Non current financial liabilities	25	1,028,717	1,842,813
Staff leaving indemnity and other employee benefits	26	3,714,711	4,349,830
Total Non Current Liabilities		4,743,428	6,192,643
Current Liabilities			
Third party trade payables		3,420,603	3,738,904
Intercompany trade payables		1,889,086	1,179,201
Trade payables	28	5,309,689	4,918,105
Intercompany financial payables	29	17,059,656	15,288,400
Other payables	30	4,597,210	6,010,120
Income taxes payables		11,439	0
Current provisions	27	0	1,481,306
Derivative instruments evalutated at fair value	20	0	60,361
Bank overdraft	32	4,001,808	0
Current portion of long term debt		815,602	1,019,257
Accrued liabilities	31	118,584	202,155
Discontinuing operations liabilities	12	438,839	0
Total Current Liabilities		32,352,827	28,979,704
Total Liabilities and Shareholders' Equity		120,699,418	134,547,646

Cash flow Statement

(euro)

	Year 2009	Year 2008
Cash flows provided from operating activities		
Net income from continuing operations	1,930,147	28,123,465
Net income from discontinuing operations	(3,313,142)	(1,725,910)
Current income taxes	(3,022,516)	(6,401,516)
Change in deferred income taxes	(367,188)	33,237
Depreciation of property, plant and equipment	2,819,307	3,763,839
Amortization of intangible assets	382,250	192,022
Capital gains (losses) on sales of intangible assets	(63,149)	(17,411)
Write down of assets	3,123,871	26,267
Dividends in Income Statement	(31,215,137)	(49,189,236)
Financial revenues (expenses), net	1,345,299	(306,023)
Accrual for termination indemnities	367,480	409,063
Accrual (utilization) for risks and contingencies, net	(1,481,306)	(172,300)
Career bonus expenses	1,446,491	0
Cash expenses career bonus	(583,491)	0
	(28,631,084)	(25,264,503)
Change in operating assets and liabilities		
Cash increase (decrease) in :		
Account receivables and other receivables	1,753,635	286,891
Inventory	476,321	623,101
Trade account payables	(391,610)	(2,885,318)
Other current payables	(1,192,948)	9,624
	645,399	(1,965,702)
Payments of termination indemnities	(952,470)	(1,390,012)
Payments of debit interest and other financial expenses	(1,691,843)	(884,010)
Interest and other financial receipts	347,500	1,190,033
Income taxes paid (receipt)	6,283,922	8,819,361
Cash flows from operating activities	(23,998,576)	(19,494,833)
Cash flows used by investing activities		
Purchase of property, plant and equipment	(1,303,100)	(1,969,987)
Proceeds from sales of property, plant and equipment	458,400	172,045
Dividends receipt	31,215,137	49,189,236
Purchase of intangible assets	(942,140)	(2,497,056)
Decrease (increase) of non current financial assets	5,222,002	(19,250,412)
Cash flows from investing activities	34,650,299	25,643,826
Cash flows used by financing activities		
Short term financial debts	4,001,808	809,232
Long term financial debts	1,980	0
Intercompany financial debts	(6,052,104)	(3,053,150)
Dividends paid	(17,678,033)	(21,949,954)
Purchase of treasury shares	0	(3,335,285)
Repayments of financial debts	(1,017,751)	(1,007,961)
Cash flows from financing activities	(20,744,100)	(28,537,118)
Exchange gains (losses) from balances conversion into foreign currencies	0	0
Increase (decrease) in cash equivalents, net	(10,092,377)	(22,388,125)
Cash and equivalents at the beginning of the period	13,751,817	36,139,942
Cash and cash equivalents, net, at the end of the period	3,659,440	13,751,817

Statement of changes in equity as at December 31, 2009

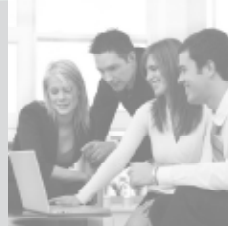
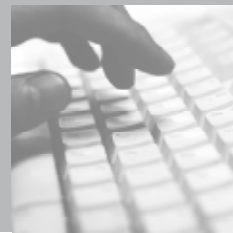
(thousands of euro)

	Capital stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves and retained earnings						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, 2008	12,220	39,659	(11,638)	2,444	11,638	0	1,727	0	16,927	30,292	26,398	99,375
Appropriation of 2008 income :									26,398	26,398	(26,398)	
Dividends paid									(17,678)	(17,678)		(17,678)
Treasury shares		1,461	1,461		(1,461)			(598)				863
Proceeds from intercompany operations									2,426	2,426		2,426
Net income for the period											(1,383)	(1,383)
Balance at December 31, 2009	12,220	41,120	(10,177)	2,444	10,177	0	1,727	(598)	28,073	41,438	(1,383)	83,603

Statement of changes in equity as at December 31, 2008

(thousands of euro)

	Capital stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves and retained earnings						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, 2007	12,220	42,994	(8,303)	2,444	8,303	0	1,727	0	17,174	27,204	21,708	98,267
Appropriation of 2007 income:									21,708	21,708	(21,708)	0
Dividends paid									(21,950)	(21,950)		(21,950)
Consolidation Reserve Taiwan Branch									(5)	(5)		(5)
Purchase of treasury shares		(3,335)	(3,335)		3,335					3,335		(3,335)
Net income for the period											26,398	26,398
Balance at December 31, 2008	12,220	39,659	(11,638)	2,444	11,638	0	1,727	0	16,927	30,292	26,398	99,375



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**Summary of main data
of subsidiaries Financial
Statements as of
December 31, 2009**

Statement of financial position 2009

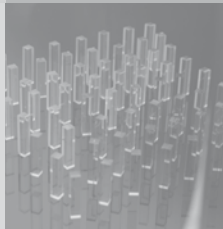
Subsidiaries					
	SAES Advanced Technologies S.p.A.	SAES Getters USA, Inc.	SAES Getters Korea Corporation	SAES Getters Japan Co., Ltd.	SAES Getters Singapore PTE, Ltd.
	(thousands of euro)	(US dollars)	(thousands of won)	(thousands of yen)	(US dollars)
Property, plant and equipment, net	28,188	1,063,231	2,041,794	0	0
Intangible assets, net	2,922	58,367	2,915,122	0	0
Other non current assets	37	29,629,472	1,216,051	903	0
Current assets	13,090	17,823,842	21,624,058	544,860	0
Total assets	44,237	48,574,911	27,797,025	545,763	0
Shareholders' equity	22,265	19,249,241	25,240,268	51,040	0
Non current liabilities	3,186	1,456,513	0	3,319	0
Current liabilities	18,786	27,869,158	2,556,757	491,404	0
Total liabilities and shareholders' equity	44,237	48,574,911	27,797,025	545,763	0

Income statement 2009

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	41,060	11,796,620	21,272,476	1,720,680	138,435
Cost of sales	(19,864)	(3,216,167)	(15,776,985)	(1,478,752)	(98,436)
Gross profit	21,196	8,580,452	5,495,491	241,928	39,999
Research & development expenses	(889)	(127,086)	0	0	0
Selling expenses	(1,123)	(1,572,535)	(386,277)	(452,170)	(1,165,958)
General & administrative expenses	(3,328)	(493,027)	(1,239,325)	0	0
Total operating expenses	(5,340)	(2,192,648)	(1,625,602)	(452,170)	(1,165,958)
Other income (expenses), net	(2,995)	(376,290)	(200,511)	(10,313)	56,905
Operating income (loss)	12,862	6,011,514	3,669,378	(220,555)	(1,069,054)
Interest and other financial income (expenses), net	(248)	(550,544)	362,930	(9,037)	482,509
Foreign exchange gains (losses), net	22	(32,221)	(1,595,373)	(25,235)	(22,518)
Income (loss) before taxes	12,636	5,428,750	2,436,935	(254,827)	(609,063)
Income taxes	(4,320)	(1,634,451)	(521,767)	70,665	4,928
Net income (loss)	8,316	3,794,299	1,915,168	(184,162)	(604,135)

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.	SAES Getters Export, Corp.	Memry GmbH
(thousands of euro)	(GB pounds)	(thousands of euro)	(Chinese renminbi)	(thousands of euro)	(US dollars)	(thousands of euro)
0	0	0	21,419,521	0	0	248
0	0	0	5,086,949	0	0	8
4	0	38,598	162,254	22	0	3
85	6,241	2,935	100,822,024	561	8,392,107	785
88	6,241	41,533	127,490,748	583	8,392,107	1,044
9	(405,938)	35,417	117,599,991	425	3,311,673	340
0	0	4,982	2,810	0	0	115
79	412,179	1,134	9,887,947	158	5,080,434	589
88	6,241	41,533	127,490,748	583	8,392,107	1,044

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.	SAES Getters Export, Corp.	Memry GmbH
(thousands of euro)	(GB pounds)	(thousands of euro)	(Chinese renminbi)	(thousands of euro)	(US dollars)	(thousands of euro)
353	83,173	0	48,356,778	294	0	1,350
0	0	(180)	(55,793,101)	(265)	0	(1,045)
353	83,173	(180)	(7,436,323)	29	0	305
0	0	0	0	0	0	(118)
(414)	(289,450)	0	(4,959,740)	(202)	2,485,858	(144)
0	0	(389)	(9,094,550)	(240)	0	(242)
(414)	(289,450)	(389)	(14,054,290)	(442)	2,485,858	(504)
(18)	2,544	0	(1,646,147)	1	902,450	221
(79)	(203,733)	(569)	(23,136,760)	(412)	3,388,308	22
(3)	(9,169)	(1,163)	618,867	(1,990)	(19,645)	(15)
0	16,872	(5)	10,687	0	0	7
(82)	(196,030)	(1,737)	(22,507,206)	(2,402)	3,368,663	14
0	0	(410)	(82,226)	0	0	0
(82)	(196,030)	(2,147)	(22,589,432)	(2,402)	3,368,663	14



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**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 Vice President and Managing Director, and Michele Di Marco, in his capacity as 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, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:

- the adequacy for the characteristics of the enterprise and
- 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, 2009.

2. The following remarks apply to this situation:

2.1 The Administrative and Accounting Control Model of the SAES 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, and, specifically, obligations pertaining to the preparation of corporate accounting documents and all documents and communications of a financial nature disseminated to the market.
- The Control Model, which refers to the organizational structure of the SAES Group:
 - . 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 Group and introduces the role of manager in charge of the preparation of corporate accounting documents (hereinafter the "Officer Responsible");
 - . describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES 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.

2.2 Administrative and accounting procedures and control matrices of SAES Getters S.p.A.

- On June 21, 2007, the Officer Responsible 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.
- As required by the Administrative and Accounting Control Model, the Officer Responsible, with the support of the Internal Audit Department, conducted an updated risk assessment on the basis of the Parent Company's 2008 Financial Statements, which confirmed the selection of significant processes to be governed by specific administrative and accounting procedures.
- The Officer Responsible, 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 Officer Responsible sent to the 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.

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

- The control owners signed and sent the Officer Responsible "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 processing 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 Officer Responsible has received all eleven internal certification letters requested from the control owners of SAES Getters S.p.A. along with the duly completed matrices.
- The results of the process, which also took into account the reports received during the previous certification process by updating the associated procedures as necessary, were positive. The control owners reported few anomalies, and those that were reported were not deemed of an extent to compromise the reliability or completeness of accounting and financial information.
- The reports received were nonetheless also forwarded to the Internal Audit Department and will be contemplated in the process of revising administrative

and accounting procedures planned for 2010, also following the implementation of a new information technology system (ERP) and the related organizational changes.

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

- The Officer Responsible 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 is conducted on a quarterly basis, 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 reviews at the end of each quarter in 2009 were fully positive: all of the limited reconciliation issues reported were attributed to the reclassification methods of the chart of accounts.
- With reference to the second review, the Internal Audit Department, through its judgment on criticality, selected, for each for the administrative-accounting procedures, some controls deemed keys in order to test the reliability and the completeness of the accounting and financial data; moreover, he verified the effective implementation of these controls with the Functions involved, collecting when necessary the documentation supporting the exit of the control.
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 procedure under review had not been correctly applied nor to result in risks as to the accuracy and completeness of accounting and financial information.

3. Furthermore, we certify that:

3.1 the Financial Statements of the Parent Company for the year ended December 31, 2009:

- a. have been prepared in accordance with applicable international accounting standards recognized within the European Union pursuant to Regulation (EC) 1602/2002 of the European Parliament and the Council;
- b. correspond to the results of accounting records and books;
- c. are suitable to providing a truthful, accurate representation of the issuer's earnings and financial position.

3.2 the Report on Operations includes a reliable analysis of operating performance and income, as well as the issuer's situation, along with a description of the primary risks and uncertainties to which it is exposed.

Lainate, (MI) Italy, March 15, 2010

Vice President
and Managing Director
Dr. Giulio Canale

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



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Report on corporate governance and ownership

Drawn up in accordance with article 123-*bis*
of the Consolidated Finance Act
and article 89-*bis* of Consob Issuers Regulation

Issued by:
SAES® Getters S.p.A.

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The present is the English translation of the Italian official report approved by the Board of Directors on March 15, 2010. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

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2006 Code: the Corporate Governance Code for Listed Companies approved in March 2006 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A.

231 Model: the organisational, management and control model adopted by the Board on December 22, 2004 and as subsequently amended, in accordance with Legislative Decree no. 231 of June 8, 2001.

Board: the Board of Directors of the Company.

By-laws: the Company By-laws as currently into force (last amendment made by the Extraordinary Shareholders' Meeting on April 21, 2009).

Company: SAES Getters S.p.A.

Consolidated Finance Act: Legislative Decree no. 58 of February 24, 1998.

Control Model: the administrative and accounting control model adopted by SAES Getters S.p.A. on May 14, 2007 also in light of Savings Law (as below defined).

Financial Year: Financial year ended December 31, 2009.

Issuers Regulation: the Regulations concerning issuers published by Consob in resolution no. 11971 of May 14, 1999 (as subsequently amended and supplemented).

SAES Getters Corporate Governance Code: the Corporate Governance Code adopted by SAES Getters S.p.A. Board of Directors on September 21, 2006.

Savings Law: Savings Protection Act no. 262 of December 28, 2005.

Regulations for Markets: the Regulations concerning markets published by Consob in resolution no. 16191 of October 29, 2007 (as subsequently amended and supplemented).

Report: the Report on Corporate Governance and Ownership which companies are required to prepare in accordance with articles 123-*bis* of the Consolidated Finance Act, article 89-*bis* of the Consob Regulation for Issuers.

Introduction/Compliance

The essential features of SAES Getters S.p.A.'s Corporate Governance system are based on the principles and recommendations contained in the Corporate Governance Code for Listed Companies published by Borsa Italiana S.p.A. in October 1999, as reviewed in July 2002, and in the version published in March 2006 (hereinafter also the **"2006 Code"**), as available on the Borsa Italiana S.p.A. website (www.borsaitaliana.it). The Company did not adopt or adhere to code of conducts other than the one promoted by Borsa Italiana S.p.A.

The SAES Getters S.p.A.'s Corporate Governance system is substantially in line with the recommendations contained in the 2006 Code with which the Board of Directors decided to comply on December 21, 2006, in the belief that the principles and provisions contained therein make an important contribution towards the achievement of correct business and corporate governance and towards the creation of value for Shareholders, thereby increasing the level of confidence and interest among national and international investors.

To this end, the Board on December 21, 2006 adopted its own Corporate Governance Code (hereinafter also **"SAES Getters Corporate Governance Code"**), with the aim of clearly formalising the rules of conduct applicable to its internal organisation structure, identifying roles and responsibilities and drawing more attention to the recommendations of the 2006 Code effectively applied and the respective procedures.

SAES Getters Corporate Governance Code is available on the Company's website www.saes-getters.com (Investor Relations section/Corporate Governance/Code of Conduct subsection).

The following Report provides the information about the Corporate Governance of SAES Getters S.p.A. and about its degree of compliance with the 2006 Code.

To compile the Report, the Company has largely used the experimental format circulated by Borsa Italiana S.p.A. on February 8, 2010, although not mandatory and although not following the same expositive index; the Company chose to follow a "comply how/non-comply why" approach, giving reasons for any decision not to adopt one or more provisions, together with corporate governance practices actually applied by the Company over and above any legal or regulatory obligations, pursuant to article 123-*bis* of Legislative Decree no. 58 of February 24, 1998 (hereinafter also the **"Consolidated Finance Act"**) and article 89-*bis* of Regulations Concerning Issuers published by Consob in resolution no. 11971 of May 14, 1999 as subsequently amended and supplemented (hereinafter also **"Issuers Regulation"**).

Pursuant to article 123-*bis*, paragraph 1 of the Consolidated Financial Act, we inform that:

- Information contained in subsection a) (the capital structure, the different classes of shares and, for each class of shares, the related rights and obligations, and the percentage of total share capital represented) are provided into paragraph 2.1.;
- Information contained in subsection b) (restriction on the transfer of securities) are provided into paragraphs 2.1. and 2.8.;
- Information contained in subsection c) (significant shareholdings), that pursuant to article 156 paragraph 4-*bis*, subsection d) of the Consolidated Financial Act will be subject to the audit firm opinion, are provided into paragraph 2.2.;
- Information contained in subsection d) (special control rights), that pursuant to article 156 paragraph 4-*bis*, subsection d) of the Consolidated Financial Act will be subject to the auditing firm opinion, are provided into paragraph 2.2.;
- Information contained in subsection e) (voting rights in any employee share scheme) are provided into paragraph 2.1.;
- Information contained in subsection f) (any restriction on voting rights), that pursuant to article 156 paragraph 4-*bis*, subsection d) of the Consolidated Financial Act will be subject to the auditing firm opinion, are provided into paragraphs 2.1. and 2.5.;

- Information contained in subsection g) (agreement known to the Company pursuant to article 122 of the Consolidated Financial Act) are provided into paragraph 2.3.;
- Information contained in subsection h) (any significant agreements to which the Company or its subsidiaries are parties and which take effect, alter or terminate upon a change of control of the Company, and their effects) are provided into paragraph 2.6.;
- Information contained in subsection i) (agreements between companies and directors which envisage severance in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid) are provided into paragraph 2.7.;
- Information contained in subsection l) (rules applying to the appointment and replacement of directors), that pursuant to article 156 paragraph 4-*bis*, subsection d) of the Consolidated Financial Act will be subject to the audit firm opinion, are provided into paragraph 4.2.;
- Information contained in subsection m) (the existence of delegated powers regarding share capital increases pursuant to article 2443 of the Italian Civil Code or powers of the directors to issue security-related financial instruments or to authorise the purchase of treasury shares), that pursuant to article 156 paragraph 4-*bis*, subsection d) of the Consolidated Financial Act will be subject to the auditing firm opinion, are provided into paragraph 2.4. and 2.5.

Pursuant to article 123-*bis*, paragraph 2 of the Consolidated Financial Act, we inform that:

- Information contained in subsection a) (adoption of a corporate governance code of conduct) are provided in the present paragraph "Introduction/Compliance" and into paragraph 10;
- Information contained in subsection b) (the main characteristics of existing risk management and internal audit systems used in relation to the financial reporting process, including consolidated reports), that pursuant to article 156 paragraph 4-*bis*, subsection d) of the Consolidated Financial Act will be subject to the audit firm opinion, are provided into paragraph 6;
- Information contained in subsection c) (the operating mechanism of the Shareholders' Meeting, its main power, Shareholders rights and their term of exercise, if different from those envisaged by legal and regulatory provisions applicable as supplementary measures) are provided into paragraphs 2.1., 8 and 9;
- Information contained in subsection d) (the composition and duties of the administrative and control bodies and their Committees) are provided into paragraphs 4, 6 and 7.

Neither the Company nor its subsidiaries are subject to foreign laws which affect the Corporate Governance structure of SAES Getters S.p.A.

1. Profile

Pioneering the development of getter technology, the SAES Getters Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions or ultra-pure gases are required. In nearly 70 years of operation, its getter solutions have been supporting innovation in the information display and lamp industries, in technologies spanning from large vacuum power tubes to miniaturised silicon-based micromechanical devices, as well as in sophisticated high vacuum systems and in vacuum thermal insulation. Group also holds a leading position in ultra pure gas handling for the semiconductor and other hi-tech markets. Starting in 2004, by leveraging the core competencies in special metallurgy and materials science, the SAES Getters Group has expanded its business

into advanced materials markets, in particular the shape memory alloy product, a family of materials characterized by super elasticity and the properties of assuming predefined forms when subjected to heat treatment. These special alloy have their application mainly in biomedical field and, more in general, in niche industrial fields. A total production capacity distributed over 12 manufacturing plants across 3 continents, a worldwide-based sales & service network, more than 1000 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise. SAES Getters S.p.A. is headquartered in the Milan area. SAES Getters has been listed on the Italian Stock Exchange Market, STAR segment, since 1986.

In accordance with the By-laws, the management and control **model** adopted by the Company is a **traditional** model based on a Board of Directors and a Board of Auditors. Specifically, in this model, the Governance of the Company is characterised by the presence of:

- a Board of Directors responsible for the management of the Company, which acts in compliance of principle 1.P.1. of the 2006 Code;
- a Board of Auditors appointed to monitor compliance with the law and with the by-laws and adherence to the principles of correct administration in the performance of corporate activities and to check the adequacy of the Company's organisational structure, Internal Control System and administrative and accounting control system;
- a Shareholders' Meeting, with powers to resolve according to legal provisions and to the Company By-laws in ordinary or extraordinary session.

Accounting auditing is entrusted to an independent audit firm enrolled in the Special Register kept by Consob.

2. Information on ownership

The information given below, unless otherwise specified, is valid on the date of approval of this Report (March 15, 2010).

2.1. Share capital structure

The fully paid-up share capital of SAES Getters S.p.A. is EUR 12,220,000.00 and is divided into 22,731,969 shares, broken down as follows:

- no. 15,271,350 ordinary shares (67.18% of the share capital);
- no. 7,460,619 non-convertible savings shares (32.82% of the share capital).

Both the ordinary shares and the savings shares are listed on the Italian *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A.

All shares are no-par-value shares and currently have an implied book value (meaning the ratio between the total amount of share capital and the total number of shares issued) of EUR 0.537569.

An unrestricted voting right is granted to the owner of each ordinary share. The rights attached to the ordinary shares are all the administrative and economic rights according to legal provisions and to the Company By-laws. Owners of savings shares are not entitled to any voting right in ordinary or extraordinary Shareholders' Meeting.

The rights attached to the various categories of shares are specified in the By-laws,

notably in articles 5, 6, 11, 26, 29 and 30. The Company By-laws is published on the Company's website www.saesgetters.com (section Investor Relations/Corporate Governance/Company By-laws).

Ordinary shares are available in registered form, savings shares are available in bearer or registered form at the shareholder's choice or as required by law. All shares are issued in dematerialised form.

Each share gives entitlement to a proportional part of the profits that it is decided to distribute and of the net worth resulting from liquidation, subject to the rights attached to savings shares, as described in articles 26 and 30 of the By-laws.

More specifically, the net profits for each year are distributed as follows:

- 5% to the legal reserve, until one fifth of the share capital has been reached;
- the remainder is distributed as follows:
 - savings shares are entitled to a preference dividend of 25% of the implied book value; if, in one financial year, a dividend of less than 25% of the implied book value has been allocated to savings shares, the difference will be made up by increasing the preference dividend in the following two years;
 - the remaining profit that the Shareholders' Meeting has resolved to allocate will be distributed among all shares in such a way as to ensure that savings shares are entitled to a total dividend that is higher than that of ordinary shares by 3% of the implied book value.

If reserves are distributed, shares have the same rights irrespective of the category to which they belong.

In the event of liquidation, savings shares have priority in the reimbursement of capital for their implied book value.

Presently, the Company holds no. 600,000 ordinary shares (3.93% of the ordinary shares issued by the Company) and no. 82,000 savings shares (1.10% of the non-convertible savings shares issued by the Company). Ordinary treasury shares that the Company holds in its portfolio, are lacking *ex lege* of the voting rights, pursuant to article 2357-ter paragraph 2 of the (Italian) Civil Code, which states that "*the voting right is frozen*" without prejudice to the fact that "*treasury shares are taken into account in any calculation for shareholders' meeting constitutive and deliberative quorums*".

The share capital may also be increased by issuing shares which have different rights from those of shares already issued. If the share capital is increased, holders of each category of shares are proportionally entitled to receive rights over newly issued shares of the same category and, failing this or for the difference, shares of another category (or other categories).

Resolutions to issue new shares which have the same characteristics as those already in issue do not require further approval from special meetings.

If ordinary or savings shares are excluded from trading, savings shares will be recognised the same rights to which they were previously entitled.

The Company does not have any share-based incentive schemes (stock options, stock grants, etc.) in place.

No shares have been issued which grant special control rights; nor are there any restrictions on voting rights¹.

No restrictions on the transfer of shares are in place except for the provisions contained into the following article 2.8. and some restrictions applicable to the Significant Persons for limited period of time (*black out periods*) on the basis of the Internal Dealing Code (see paragraph 5).

¹ Except for the restriction pursuant to article 2357-ter of the Italian Civil Code which states that a Company does not have voting rights on the ordinary treasury shares held in its portfolio, for which the voting rights is frozen.

2.2. Major shareholdings

S.G.G. Holding S.p.A. is the Company's majority Shareholder presently holding 7,958,920 SAES Getters ordinary shares representing 52.12% of the ordinary shares (and 54.25% of the voting capital, i.e. without taking into account the treasury shares), to the knowledge of the Company based on the filings received in accordance with article 120 of the Consolidated Finance Act and with articles 152-*sexies* and 152-*octies* of Issuers Regulation.

In addition to S.G.G. Holding S.p.A., there are other entities which hold voting rights accounting for more than 2% of the subscribed capital, represented by voting shares, according to the entries in the share register updated on 28/02/2010, and based on filings received by the Company and other information. These entities are:

Declarant	Direct shareholder	% share of the ordinary capital (on a total of 15,271,350 ordinary shares)	% share of the voting capital (excluding treasury shares, on a total of 14,671,350 ordinary shares)
Giovanni Cagnoli	Carisma S.p.A.	5.57%	5.80%
The Tommaso Berger Trust	Berger Trust S.p.A.	2.62%	2.73%

Presently, the Company holds no. 600,000 ordinary shares (3.93% of the ordinary shares issued by the Company) and no. 82,000 savings shares (1.10% of the non-convertible savings shares issued by the Company).

Please be informed that as to the only item on the agenda for the forthcoming Extraordinary Shareholders' Meeting scheduled for April 27 and 28, 2010 (at first and second call respectively), Shareholders will be called to resolve on the proposal for cancellation of the treasury shares without capital stock decrease and the amendment of article 4 of Company's By-laws as a consequence. Please refer to the special report to the Shareholders' Meeting prepared by the Directors on this subject, which, pursuant to article 72 of Issuers Regulation, will be deposited at the registered offices, with Borsa Italiana S.p.A. and published on the Company's website www.saesgetters.com (section Investor Relations/Corporate Documents), within the time period required under existing law (i.e. at least 15 days before the date of the Shareholders' Meeting).

Should the Shareholders approve the Board proposal, upon same number of shares held by major Shareholders, as resulting today, the shareholding would change as follows:

Declarant	Direct shareholder	% share of the voting capital (14,671,350 ordinary and voting shares)
S.G.G.Holding S.p.A.	S.G.G.Holding S.p.A.	54.25
Giovanni Cagnoli	Carisma S.p.A.	5.80
The Tommaso Berger Trust	Berger Trust S.p.A.	2.73

2.3. Shareholders' agreements

The Company is not aware of the existence of any Shareholders' agreements governed by article 122 of the Consolidated Finance Act.

2.4. Powers to increase the share capital

The Extraordinary Shareholders' Meeting of April 23, 2008 authorised the Board, pursuant to Article 2443 of the (Italian) Civil Code, to increase the share capital, with and/or without consideration, on one or more occasions within a period of five years of the date of the resolution, up to an amount of EUR 15,600,000.00 by issuing shares of any category to be allocated free of charge or offered in the form of rights. That power has so far not been exercised.

2.5. Treasury shares

The Shareholders' Meeting of April 21, 2009 authorised the purchase of the Company's own shares up to a maximum of no. 2,000,000 ordinary and/or savings shares over a period of 18 months from the date of authorisation, taking due account of the shares already held in the portfolio by the Company, and subject in any event to statutory limits, for a price, including incidental purchase expenses, of no more than 5% and no less than 5% of the official share price in the trading session prior to each individual transaction.

During the Financial Year the Board did not implement any purchase of treasury shares plan and has not availed itself of the authorization granted by the Shareholders' meeting of April 21, 2009 (also in the preceding months did not use the previously authorisation previously granted by the Shareholders' Meeting of April 23, 2008).

Presently, the Company holds no. 600,000 ordinary shares (3.93% of the ordinary shares issued by the Company) and no. 82,000 savings shares (1.10% of the non-convertible savings shares issued by the Company).

The revoking of the resolution concerning the purchase and use of own shares taken by the Shareholders' Meeting on April 21, 2009, for the part not enjoyed, and the proposal to adopt a similar decision have been included on the agenda for the forthcoming Shareholders' Meeting (ordinary session) scheduled for April 27 and 28, 2010 (at first and second call respectively).

Please refer to the special report to the Shareholders' Meeting prepared by the Directors on this subject, pursuant to article 73 of Issuers Regulation, which will be deposited at the registered offices, with Borsa Italiana S.p.A. and published on the Company's website www.saesgetters.com (section Investor Relations/Corporate Documents), within the time period required under existing law (i.e. at least 15 days before the date of the Shareholders' Meeting). As previously anticipated in paragraph 2.2., please be informed that for the only item on the agenda for the forthcoming Extraordinary Shareholders' Meeting scheduled for April 27 and 28, 2010 (at first and second call respectively) Shareholders will be called to resolve on the proposal for the cancellation of the treasury shares without reduction of the share capital and following amendment of article 4 of Company's By-laws.

Please refer to the special report to the Shareholders' Meeting prepared by the Directors on this subject, which, pursuant to article 72 of Issuers Regulation, will be deposited at the registered offices, with Borsa Italiana S.p.A. and published on the Company's website www.saesgetters.com (section Investor Relations/Corporate Documents), within the time period required under existing law (i.e. at least 15 days before the date of the Shareholders' Meeting).

2.6. Change of control clauses

Group companies, as part of their normal activities, are parties to supply contracts or cooperation agreements with customers, suppliers and industrial or financial partners

which, as is commonplace in international agreements, contain clauses which grant the counterparty or each of the parties the right to terminate these agreements in the event of a change of control affecting the parent company SAES Getters S.p.A. or, more generally, one of the parties. None of these agreements is material in nature.

Some Group companies are part of loan agreements and bank lending commitments. In the case of change of control of the financed company and/or the parent company (SAES Getters S.p.A.), these agreements with banks require, as usual for this kind of contracts, the banks' rights to forthwith terminate the loan agreements and provide for repayment.

The indebtedness subject to the change of control clauses is of about EUR 35,5 million.

2.7. Directors severance

The agreements in place between the Company and the Executive Directors Massimo della Porta and Giulio Canale, in the event of dismissal by the Shareholders' Meeting or revoking of delegated powers by the Board, without cause, make provision for compensation to be paid in an amount equal to the annual base fee determined by the Board on April 21, 2009 until the end of their office, with a cap of two years and half.

In the case of resignations from his office, no compensation is payable to the Executive Director, who is obliged to give three months' prior notice.

Provision is made for a consideration equal to the annual fee determined by the Board on April 21, 2009, to be paid for two years after the end of the term of office, for the non-competition agreement signed by the Executive Directors.

It is to be noted, finally, that, in accordance with the Shareholders' resolution of April 27, 2006, a percentage (18%) of the fixed and variable compensation is set aside by the Company by way of Directors' Termination Indemnity (*"Trattamento di Fine Mandato"*), pursuant to articles 17, 50, 105 and 109 of Presidential Decree 917/86, with the aim of creating a final total retirement benefit in line with that of other managers who work for the Company. The sums set aside will be used to take out a suitable Directors' Termination Indemnity insurance policy in line with legal requirements, aimed at guaranteeing the disbursement of the final benefit.

In consideration of the economical crisis environment, the Executive Directors Massimo della Porta and Giulio Canale on April 21, 2009 renounced to the accrual for the Directors' Termination Indemnity on the fixed and variable compensation (if any) for the remainder of the Financial Year.

For information on the fees received by the Directors during the Financial Year, please refer to the special report included in the Notes to the Financial Statements.

Please refer to paragraph 4.8 for further information on the remuneration of the Directors.

2.8. Career award for the founder Paolo della Porta

The Shareholders' Meeting of April 21, 2009, on the basis of the proposal of the Board of Directors – which in turn resolved upon proposal of the Compensation Committee – granted a special award as acknowledgement of founder Paolo della Porta's career, by assigning no.100,000 SAES Getters ordinary treasury shares, free of charge, in addition to a cash amount to enable Paolo della Porta to pay the related taxes (payment that the Company actually will perform as withholding agent) on the amount given by the

shares cash equivalent to be calculated (according to article 9, paragraph 4, letter a) of the Consolidated Financial Act) upon Paolo della Porta entry into ownership, in order to relieve the beneficiary from any cost resulting from the acceptance of the award that could reduce its effectiveness.

The shares have been assigned free of charge, with a binding restriction related to their transfer for the duration of one year from the assignment date (April 28, 2009) with respect to no. 50,000 (fifty thousand) shares and two years from the assignment date (April 28, 2009) with reference to the remaining no. 50,000 (fifty thousand) shares. This constraint is intended to prevent that an immediate sale of the granted shares could result in a negative impact on the prices of the securities in a period which is already difficult for the financial markets.

The term "transfer" and the verb "to transfer" are meant to include any form of alienation, universal or specific, free or for a compensation, including, by way of example without being limited to, the sale (even together with other assets), any other transaction, free or for a compensation (including, by way of example without being limited to, exchange, swap, assignment and trust), by which, directly or indirectly, the result of transferring the ownership of the shares to third parties is achieved.

For more information please refer to the special report to the Shareholders' Meeting of March 17, 2009 prepared by the Directors on this subject, and to the Informative Document pursuant to article 84-*bis* published on the Company's website www.saes-getters.com (section Investor Relations/Corporate Documents).

3. Management and coordination activity

The Company is not subject to management and coordination within the meaning of article 2497 et seq of the (Italian) Civil Code.

For the purposes of article 37, paragraph 2, of Consob Resolution no. 16191 of October 29, 2007 as subsequently amended ("**Regulations for Markets**"), it is specified that, following assessment by the Board confirmed today, the presumption set in article 2497 of the (Italian) Civil Code is considered overcome, as S.G.G. Holding S.p.A. results not to manage and/or coordinate SAES Getters S.p.A. in relation to the majority interest held by the former. This is based on the fact that S.G.G. Holding S.p.A., under the managerial, operational and industrial profiles, does not play any role in the definition of the long-term strategic plans and annual budget and in investment choices, does not approve specific and/or significant operations of the Company and of its subsidiaries (acquisitions, sales, investments, etc.) and does not coordinate business initiatives and actions in the sectors in which the latter and its subsidiaries operate. S.G.G. Holding S.p.A. does not give instruction nor carry out service activities or technical, administrative, financial coordination in the interest of the Company and its subsidiaries.

The Company has its own organisational and decision-making independence as well as independent negotiation capacity in relations with customers and suppliers.

4. Board of Directors

4.1. Composition

The current By-laws stipulate that the Shareholders' Meeting can determine the number

of Directors which can be a minimum of three (3) and a maximum of fifteen (15). The high number of Directors set as upper limit reflects the need to structure the Board in the manner most appropriate to the Company's needs, also taking into consideration the number of companies controlled. It also enables the Company to bring in professionals from different backgrounds and to integrate different skills and experiences in order to respond more effectively to current and future requirements, thereby maximising value for Shareholders.

The complexity and worldwide nature of Company and Group interests entail an ever growing need for different professional abilities, experiences and skills within the management body. With a larger composition, the Board is able to provide better internal dialectics and carry out its duties effectively, with the necessary competence and authority, responding in a timely manner to the increasingly complex subjects with which the Company is called to cope with.

4.2. Appointment and replacement of Directors

Directors are appointed by the Shareholders' Meeting on the basis of slates submitted by Shareholders, according to the procedure set out in article 14 of the By-laws, unless different or supplementary provisions are laid down in mandatory laws or regulations or depending on the Company's voluntary or mandatory compliance with codes of conduct drawn up by the management companies of regulated markets or by trade associations.

The Board believes that the Directors appointment takes place pursuant to a clear procedure, as below described, pursuant to principle 6.P.1. of the 2006 Code.

Slates for the appointment of Directors may be submitted by Shareholders who, at the time of submitting the slate, own, individually or together with other Shareholders submitting slates, a percentage of the voting capital at least equal to the percentage determined by Consob under article 147-ter, paragraph 1, of the Consolidated Finance Act and in accordance with the provisions of the Issuers Regulation.

Only for information purpose (since the appointment of corporate bodies took place during the Financial Year and will not be an item on the agenda for the forthcoming Shareholders' Meeting), on January 27, 2010, Consob published the resolution no. 17148, specifying the percentage required for submitting the slates of candidates for the election of the management and control bodies of companies that closed their financial year on December 31, 2009. The threshold for the Company was established at 2.5% of the share capital.

In line with application criterion 6.C.1. of the 2006 Code, slates, signed by those submitting them, are deposited by Shareholders at the registered offices at least fifteen days before the scheduled date of the Meeting called to resolve on the appointment of Directors. These slates are made available for consultation by the public at the registered offices as well as at the market management company and on its website, under the terms and conditions laid down by the applicable regulations.

The slates specify no more than fifteen candidates, each allocated with a progressive number. Each slate must contain and expressly indicate at least one Independent Director², with a progressive number no greater than seven.

A Shareholder cannot submit or vote for more than one slate, including through an intermediary or through trust companies. A candidate may only be present in one slate, failing which he will be ineligible.

² Meaning a Director meeting the independence requirements stipulated therein as well as additional requirements laid down in the codes of conduct drawn up by the management companies of regulated markets or by trade associations with which the Company voluntarily or mandatorily complies.

At the end of the voting, the candidates of the two slates which have obtained the highest number of votes will be elected, subject to the following criteria: (i) from the slate which obtained the highest number of votes ("**Majority Slate**"), all but one of the total number of Board members, as previously established by the Shareholders' Meeting, will be elected in the numerical order indicated in the slate; (ii) from the second slate which obtained the highest number of votes and which has no connection, not even indirectly, with the Shareholders who submitted or voted for the Majority Slate pursuant to the applicable provisions ("**Minority Slate**"), one Director will be elected, namely the candidate indicated with the first number on that slate. However, if no Independent Director is elected from the Majority Slate, in the case of a Board of no more than seven members, or if only one Independent Director is elected, in the case of a Board of more than seven members, the first Independent Director indicated on the Minority Slate will be elected instead of the person at the top of the Minority Slate.

However, slates which have not achieved a percentage of votes equal to half that required for the submission of slates will not be taken into account.

If one or more lists receive the same number of votes, the one presented by Shareholders owning the highest shareholding upon their presentation or, secondly, the one presented by the highest number of Shareholders, shall prevail.

If one only list is presented, the Shareholders' Meeting votes the same and if it gets the majority of the voting Shareholders, without taking into account Shareholders who refrain from voting, the Directors on their order of priority in said list are elected, until fulfillment of the number of Board members established by the Shareholders' Meeting, saved for the fact that, however, if the Board is made up by more than seven members, also the second Independent Director is elected, in addition to the Independent Director necessarily listed among the first seven candidates.

In the absence of slates or if the number of Directors elected on the basis of slates submitted is less than the number determined by the Shareholders' Meeting, the members of the Board of Directors are appointed by the same Shareholders' Meeting according to statutory majorities, without prejudice to the obligation for the Shareholders' Meeting to appoint the necessary minimum number of Independent Directors.

Upon the approval of the Financial Statements for the year ended December 31, 2008, during the Financial Year, the three-year mandate of the Board of Directors appointed by the Shareholders' Meeting on April 27, 2006 expired.

The Shareholders' Meeting of April 21, 2009 resolved to fix in 11 (eleven) the number of members of the Board of Directors. The appointed Directors are: Stefano Baldi, Giulio Canale, Giuseppe della Porta, Massimo della Porta, Adriano De Maio, Andrea Dogliotti, Andrea Gilardoni, Pietro Alberico Mazzola, Roberto Orecchia, Andrea Sironi and Gianluca Spinola.

The current Board was elected, for the first time, through the slate vote mechanism, (introduced by resolution of the Extraordinary Shareholders' Meeting of June 29, 2007, in order to accommodate the changes and additions to election procedures introduced in the meantime into legislation about the procedure to appoint Directors) on the basis of the only one list presented and published by the major shareholder S.G.G. Holding S.p.A. according to the procedure and terms set out in the By-laws, mandatory regulations and the Company's Code of Conduct. The Slate and its enclosures were opportunely made available for consultation by the public on the Company's website.

The appointed Board of Directors term of office will expire with the approval of the 2011 Financial Statements.

The Board as at December 31, 2009 is made up of eleven Directors as shown in Appendix 1.

The following table shows the attendance of each Director to the Board meetings during the Financial Year:

Meeting of Board of Directors during the Financial Year	12-Feb	13-Mar	17-Mar	21-Apr I	21-Apr II	12-May	24-June	27-Aug	12-Nov	17-Dec	Overall attendance of each director ³	%
Baldi Stefano	1	1	1	1	1	1	0	1	1	1	9/10	90
Canale Giulio	1	1	1	1	1	1	1	1	1	1	10/10	100
Christillin Evelina ³	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0/3	0
De Maio Adriano	1	1	1	1	1	1	1	1	1	1	10/10	100
della Porta Giuseppe	1	1	1	1	1	1	1	1	1	1	10/10	100
della Porta Massimo	1	1	1	1	1	1	1	1	1	1	10/10	100
della Porta Paolo ³	1	0	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1/3	33
Dogliotti Andrea	1	1	1	1	1	1	1	1	1	1	10/10	100
Gilardoni Andrea	1	1	1	1	1	1	1	1	0	0	8/10	80
Mazzola Pietro	1	1	0	1	1	1	0	0	1	1	7/10	70
Orecchia Roberto ³	n.a.	n.a.	n.a.	1	1	1	1	1	1	1	7/7	100
Rolando Giuseppe ³	1	1	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3/3	100
Sironi Andrea	1	1	0	1	1	0	0	1	1	1	7/10	70
Spinola Gianluca	1	1	0	1	1	1	1	1	1	1	9/10	90
Ugo Renato ³	1	1	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3/3	100
NON EXECUTIVES	10/11	10/11	7/11	9/9	9/9	8/9	6/9	8/9	8/9	8/9		86.8%
EXECUTIVES	3/3	2/3	2/3	2/2	2/2	2/2	2/2	2/2	2/2	2/2		93.3%
INDEPENDENT	3/3	3/3	2/3	3/3	3/3	3/3	2/3	3/3	3/3	3/3		93.%

The average age of Director is about 60 years old.

Appendix 3 to this Report contains information on the personal and professional characteristics of Directors as required by article 144-*decies* of the Issuers Regulation.

4.3. Maximum limit on positions cumulatively held in other companies

Pursuant to principle 1.P.2. of the 2006 Code, the Company's Directors act and make resolutions independently and with full knowledge of the facts, with the aim of creating value for Shareholders. In line with application criterion 1.C.2. of the 2006 Code, Directors accept the office when they believe that they can dedicate the necessary time to the diligent performance of their duties, taking into account the number of director or auditor posts that they hold in other companies listed on regulated markets, including foreign markets, in financial companies, banks, insurance companies or large-sized companies.

The Board annually records and reports, in the Corporate Governance Report, on the director or auditor posts held by the Directors in listed companies and in the other companies indicated above. Appendix 2 lists the director or auditor posts held by each Director in other companies listed on regulated markets, including foreign markets, in financial companies, banks, insurance companies or large-sized companies, as at December 31, 2009, as recorded in the Board meeting of February 18, 2010.

³ The Directors Evelina Christillin, Paolo della Porta, Giuseppe Rolando and Renato Ugo ceased from their office on April 21, 2009. For this reason the total number of meetings they could attend during the Financial Year is three. The Director Roberto Orecchia was appointed for the first time by the Shareholders Meeting on April 21, 2009 and for this reason he could attend only to seven meetings, those called after his appointment.

The Board believes that if a Director cumulatively holds an excessive number of posts in the Boards of Directors or in the Boards of Auditors of listed or unlisted companies, this may compromise or jeopardise the effective performance of his post within the Company.

In line with application criterion 1.C.3. of the 2006 Code, the Board has defined general criteria governing the maximum number of director or auditor posts in other companies which may be considered compatible with an effective performance of the role of Director in the Company.

These general criteria are identified in the SAES Getters Corporate Governance Code approved by Board resolution on December 21, 2006.

Indeed, the Board has considered it appropriate to award a score to each post held outside of the Company's Board of Directors. This score differs according to the commitment entailed by the type of post (Executive/non-executive Director) and the nature and size of the companies in which the post is held. There is a maximum score above which it is presumed that the post of Director in the Company cannot reasonably be performed effectively. If the maximum threshold is exceeded, this constitutes a valid reason to dismiss the Director from office.

The Company's Board reserves the right to amend and supplement the general criteria specified above, taking into account changes in legislation, experience of application and the best practice that will develop in this area.

The current composition of the Board respects the above general criteria.

Pursuant to application criterion 2.C.2. of 2006 Code, Directors are required to be familiar with the duties and responsibilities inherent in their post. The Chairman of the Board ensures that Directors participate in initiatives aimed at increasing their knowledge of corporate events and trends, also with regard to the legislative framework, so that they can perform their role effectively.

During the Financial Year the above mentioned initiatives did not take place except for technical presentations about the main research and development projects running in the Company's laboratories, and a set of the main corporate documents, in addition to brochures of the core product families of the Companies. The Chairman and the Managing Director make every effort to ensure that the Board is informed about the main legislative and regulatory developments that concern the Company and the corporate bodies.

If the Directors require clarifications and information from the Company's management, they may forward a request to the Chairman, who will take the appropriate action either by collecting the necessary information or by putting the Directors in touch with the management concerned.

The Directors can ask the Chairman and/or the Managing Director to have managers of the Company or of the Group attend the Board meetings to provide detailed information about the items on the agenda.

4.4. Role of the Board of Directors

The Board meets at regular intervals to examine operational performance, Company results and all significant operations. The By-laws provide that the Board must meet at least once every quarter.

During the Financial Year, the Board met 10 times, with the average attendance of Directors being about 88% higher than 2008 average attendance (of about 83%). The average attendance of Executive Directors was of 93.3% (vs. 95% of 2008), the average attendance of non-executive Directors was 86.8% (to be compared with 87.7% of year 2008) and the average attendance of Independent Directors was 93.3%, significantly

higher than the average attendance rate of year 2008 (almost equal to 72%).

The average duration of Board meetings is slightly higher than 2 hours.

For the 2010 financial year, it is currently anticipated that the Board will meet at least nine times, of which four meetings will be to approve the interim results, the dates for which were already notified in December 2009 to Borsa Italiana S.p.A. for inclusion on the calendar of Company events, also published on the Company's website.

In 2010, up to the date of the present Report, the Board met: a) on February 18, 2010 for a business update pursuant to article 19 of the By-laws, an assessment of the degree of independence of its Independent Directors; the annual reports of the director or auditor posts held by each Director in other companies pursuant to article 1.3. of Code of Conduct; the assessment about the professional characteristics and grounds for ineligibility and incompatibility, the assessment about the requirements for the members of the Board of Auditors; the proposed items for the agenda of the forthcoming Shareholders meeting; the Oversight Committee report about the activities performed on the second half of the year; b) and today, to approve the draft Financial Statements, to call the Shareholders' Meetings and to approve the respective documentation, the Audit Committee report about the activities performed in the second half of the year.

The Chairman makes every effort to ensure, that, for the purposes of Board meetings, the necessary documentation and information to enable the Board to discuss in an informed manner the matters referred for its examination are forwarded to Directors reasonably in advance, where possible together with the notice of call (that is usually sent at least two weeks before the date of the meeting); as far as the financial reports, these are forwarded with at least two working days notice, according to a schedule consistent with the time needed for the preparation of such documents. Exceptionally, depending on the nature of the matter to be resolved upon and on secrecy requirements, with the blessing of Directors, some documentation (as strategic business plans) might not be sent in advance to them.

Each Board Member has the right to propose subjects for discussion at subsequent Board meetings.

The Chairman, with the approval of those present, may invite persons outside the Board to attend meetings in order to listen in or to provide support duties. The Officer Responsible for the Preparation of corporate financial reports pursuant to article 154-*bis* of the Consolidated Financial Act is invited to attend all the meetings of the Board of Directors that have on the agenda the approval of quarterly Financial Statements, of the half year report, of the yearly financials statements, the consolidated Financial Statements, and any time the Board is called to take resolution for which a statement of the Accounting Officer or any time the Chairman of the Board, even on proposal of the Managing Director, being on the agenda issues that may affect the accounting reports of the Company or of the Group.

The Group General Counsel attends each Board meeting, acting as Secretary of the Board of Directors.

Tentatively, during each meeting, and in any event at least every quarter, in accordance with article 19 of the By-laws, the Board of Directors and the Board of Auditors are informed, by the Chairman and the Managing Director, about the activities performed (by the Company and by its subsidiaries), about its general performance and foreseeable development, about the most important economic and financial transactions in terms of size or characteristics and, where necessary, about transactions in which the Directors have a personal or third party interest.

The Board reviews the information received from the Executive Directors and also ensure to ask the latter for any clarification or further or supplementary details which are deemed necessary or expedient for a complete and correct appraisal of the facts

brought to the Board for examination.

* * * * *

The Board plays a central role in the Company's Corporate Governance system, being vested with extensive powers for the ordinary and extraordinary management of the Company and having the right to carry out all acts considered appropriate for the implementation and achievement of the Company's objects, excluding those that the law strictly reserves for the Shareholders' Meeting.

Without prejudice to the exclusive competences over matters as laid down in article 2381 of the (Italian) Civil Code and in the By-laws, the Board exclusively and in compliance the application criterion 1.C.1 of 2006 Code:

- a) defines, applies and updates the Company's Corporate Governance rules, in conscious compliance with existing laws; defines the Corporate Governance guidelines for the Company and for the Group that it heads;
- b) examines and approves the strategic, industrial and financial plans for the Company and for the Group that it heads; in the Financial Year the Board performed its evaluations as to the strategic plans during the meetings of June 24 and December 17;
- c) assesses (as the Board did on December 17, 2009 as to financial year 2010) and approves the annual budget and the investment plan for the Company and for the Group that it heads;
- d) assesses and approves the periodic financial reporting documentation required under existing law (in the Financial Year the Board, to this extent, met on March 13, May 12, August 27 and November 12);
- e) grants and revokes powers within the Board (and the Executive Committee, where appointed) and defines the limits, operating procedures and frequency, generally at least every quarter, with which the authorised bodies must report to the Board about the activity performed in accordance with the powers granted to them; please refer to paragraph 4.5.1. for further details;
- f) determines, after examining the proposals of the Compensation Committee and after consulting with the Board of Auditors, the remuneration payable to Executive Directors and other Directors who are appointed to certain positions and, if the Shareholders' Meeting has not already done so, determines the share of the total remuneration to which individual members of the Board are entitled;
- g) monitors and assesses the general operational performance, including any conflict of interest situations, taking into consideration, in particular, information received from the Executive Directors, from the Executive Committee, where appointed, from the Compensation Committee and from the Audit Committee, and periodically comparing the results achieved with those anticipated;
- h) examines and approves significant transactions and related party transactions; please refer to paragraph 4.4.1. for further details;
- i) assesses the adequacy of the organisational, administrative and general accounting structures, and of the Company and Group structure, based on documents prepared by the Managing Director, particularly with regard to the Internal Control System and the handling of conflicts of interest. Please refer to paragraph 6.4. for further details;
- j) evaluates, at least once a year, the size, composition and functioning of the Board and of its Committees, where applicable expressing opinions on the professionals whose presence in the Board is deemed appropriate;
- k) reports to the Shareholders' Meeting; provides information, in the Corporate Governance report, on the implementation of the SAES Getters Corporate Governance Code and, in particular, on the number of meetings of the Board and of the Executive

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- Committee, where present, that have been held during the year and on the respective percentage attendance of each Director;
- l) at the end of each year, prepares a calendar of Company events for the following year, which will be followed as far as possible; during the Financial Year, the 2010 corporate events calendar was disclosed to the market on December 17, 2009;
 - m) has ultimate responsibility for the functioning and effectiveness of the organisational, management and control model pursuant to Legislative Decree 231/2001.

With regards to letter f) above and as better detailed in paragraph 4.8. below, in the Financial Year, in the first meeting after the Shareholders' Meeting that appointed the Board of Directors, the latter determined, upon proposal of the relevant Committee and consultation of the Board of Auditors, the compensation of the Executive Directors and the others directors holding specific offices, and determined as well the split of the overall remuneration established for the Board as the Shareholders had not resolved upon.

With regards to letter g) above, the Board, also on input of the Chairman and the Managing Director, on occasion of almost every meeting in the Financial Year evaluated the overall operational performance.

With regards to letter i) above, in the Financial Year, the Board did not perform a full assessment of the adequacy of the organisational, administrative and general accounting structures, and of the Company and Group structure, because it deemed more appropriate to wait for the completion of the restructuring process started in the Financial Year, at Group level, that might encompass the shut down of some companies and that will come to an end during year 2010.

With regards to letter j) above, in line with the international best practices, as set by SAES Getters Corporate Code, the Board for the second consecutive year, performed a self assessment of the Board composition, its working and Committees.

In October 2009 Directors provided their feedback to a survey circulated by the Corporate Secretary aiming at a self assessment of the Board; following aggregate and anonymous processing of the feedback, the Board successfully carried out this evaluation in the meeting of November 12, 2009. Among the strengths the Board review unanimously highlights are: i) the favourable climate established within the Board which allows an open and fruitful discussion amongst its members and taking decisions with a large consensus; ii) the satisfying standing of the quantity and quality of information received; iii) the excellent relationship with the top management, who is always ready to provide all the details needed; iv) the efficiency and general readiness of the information flow upon which the decision taking process is based; v) the accuracy of the minutes of the Board debate and of the resolutions.

The Board size and competences available therein are deemed to be adequate, as well as the number and frequency of the meetings.

As far as the Committees established within the Board, their composition, role and efficiency of performance have been confirmed.

The By-laws grant the Board, without prejudice to the statutory limits, the power to resolve on proposals concerning:

- mergers in the cases set out in articles 2505 and 2505-*bis* of the (Italian) Civil Code,

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- including with regard to demergers as governed by article 2506-ter, final paragraph, of the Italian Civil Code, in the cases where these rules are applicable;
- the creation and closure of secondary offices and branches;
 - indication of which Directors have the power to represent the Company;
 - any capital reduction in the event of withdrawal of Shareholders;
 - the alignment of the Company's By-laws with legislative provisions;
 - transfer of the registered offices within the country.

4.4.1. Principles of conduct - Significant or Related Party Transactions

The Board follows the provisions set forth by the law (among which, articles 2381, 2391 of the Italian Civil Code and 150 of the Consolidated Finance Act) and of the By-laws, as to directors' interests and disclosure obligations and behavioural rules.

On December 21, 2006, the Board reviewed its principles of conduct that supplement the applicable provisions and govern the criteria to be followed in significant or related party transactions, as well as the terms and conditions for sending information to the Board of Directors and to the Board of Auditors of the Company.

These principles are formalised in the SAES Getters Corporate Governance Code, pursuant and to the effects of application criteria 9.C.1. and 9.C.2. of 2006 Code. With specific reference to application criterion 9.C.1. of 2006 Code, in view of regulation amendments about to be approved by Consob, the Board reserves the right to introduce new principles for Related Party Transactions amending current provisions of SAES Getters Corporate Governance Code.

The purpose of these guidelines is to set the general criteria to identify significant transactions and to establish how to perform and approve related parties operations.

In brief, the Board examines and approves:

- 1) the transactions of the Company and of its controlled companies having a significant impact on the Company's strategy, profitability, assets and liabilities or financial position, such as: acquisitions, sales, disposals of shareholdings, companies or business units, real property, assets or activities worth more than 3 million euro or that implies entering a new business or exiting a business; establishment and allocation of specific assets/equity destined for a specific business as per Article 2447-bis of the Italian Civil Code; mergers or spin-offs in which subsidiaries participate where at least one of the applicable parameters below is equal to or higher than 15%:
 - a) total assets of the merged company or activities to be spun off/total assets of the Company (data from the consolidated accounts);
 - b) (positive or negative) results before tax and non-recurring income and expense of the merged company or of the activities to be spun off/results before tax and non-recurring income and expense of the Company (data from the consolidated accounts);
 - c) total net worth of the merged company or the going concern to be spun off/total net worth of the Company (data from the consolidated accounts).
- 2) related parties transactions, including inter-companies transactions (except for typical or usual transactions or transactions at standard conditions).

Transactions between the Company and related parties are referred to the Audit Committee for opinion and to the Board for prior examination if: a) they are atypical and/or unusual; b) the related party is S.G.G. Holding S.p.A. or those to whom powers and responsibilities are granted with regard to the performance of duties involving the administration, management and control of the Company and their close family members.

For related party transactions, including intragroup transactions, which are not referred to the Board, in so far as they are typical or ordinary and/or under standard conditions, Directors vested with powers or managers responsible for the execution of the transactions, collect and keep, for individual transactions or types or groups of transactions, adequate information on the nature of the connection, on the execution of the transaction, on the conditions, including economic conditions, for the execution of the transaction, on the assessment procedure followed, on the interests and underlying motivations and on any risks for the Company.

The Board has also established the principles to be followed where the Directors hold an interest, even a potential or indirect interest, even pursuant principle 9.P.1. of 2006 Code, and where it is necessary to seek the help of experts to support the decision referred to the Board.

During the Financial Year, there were no related party transactions other than those identified in the management report accompanying the 2009 Financial Statements. In the Financial Year no related party transactions subject to disclosure pursuant to article 71-*bis* of Issuers Regulation was carried on.

4.5. Managing Bodies

4.5.1. Executive Directors

In compliance of application criterion 2.C.1. of 2006 Code, the Company's Executive Directors are:

- the Managing Directors of the Company or of a subsidiary company having strategic importance⁴, including the relevant Chairmen when they are granted individual management powers or when they play a specific role in the definition of business strategies;
- the Directors vested with management duties in the Company or in a subsidiary company having strategic importance, or in the holding company when the mandate also concerns the Company;
- the Directors who are part of the Company's Executive Committee, where appointed, when there is no Managing Director appointed or when participation in the Executive Committee, taking into account the frequency of meetings and the nature of its decisions, entails the systematic involvement of its members in the day-to-day management of the Company.

The granting of powers for urgent cases only to Directors not vested with management powers is not *per se*, to cause them to be identified as Executive Directors, unless such powers are actually exercised with considerable frequency.

Of the Directors in office, two are Executive. The Board appointed by the Shareholders' Meeting of April 21, 2009 met at the end of the Meeting to allocate positions within the Company, to grant powers and to appoint Committees. As in the past, the Board

⁴ Meaning a significant company from the accounting point of view (having the net assets higher than 2% of consolidated net assets or sales higher than 5% of consolidated sales) or, more in general, from the market and business point of view (as a consequence, also a newly-created company could be eligible for being considered "significant"). On the basis of an evaluation carried out today, taking into account the thresholds above and some business considerations, the following are considered significant: SAES Advanced Technologies S.p.A., SAES Getters USA, Inc., SAES Getters (Nanjing) Co. Ltd., SAES Getters Korea Corporation, SAES Smart Materials, Inc., Memry Corporation. On the contrary, despite meeting the thresholds above, following business consideration, SAES Getters International Luxembourg S.A., SAES Getters Japan Co. Ltd. (which is under liquidation), SAES Getters America Inc. and SAES Getters Export, Corp. are not considered significant.

adopted a delegation model in which the Chairman and the Managing Director are granted extensive operational powers. Consequently, the Chairman (Massimo della Porta) and the Managing Director and Group Chief Financial Officer (Giulio Canale), were granted separate powers of ordinary and extraordinary administration, excluding those strictly reserved for the Board and those reserved by law for the Shareholders' Meeting. Likewise removed from the powers granted to the Executive Directors are decisions concerning significant transactions (as defined in paragraph 4.4. above) and certain related party transactions.

The powers granted to the Chairman and the Managing Director are identical and do not differ in terms of value or competence.

In particular, Massimo della Porta and Giulio Canale, jointly and severally, are entrusted with the following powers have been granted (by way of example without being limited to):

- a) to appoint proxies for single transaction or categories of transactions, setting forth the powers and compensations, including the power to revoke them;
- b) to stand on behalf of the Company in any relationship with third parties, public administrations, public entities, companies of the Group, and to sign the associated acts and contracts, to undertake obligations of any kind and nature;
- c) to purchase, exchange, sell assets within the performance of the corporate activities; to enter, after negotiating the appropriate clauses, agreements, to amend and/or terminate agreements and contracts of any kind and value; to authorize the purchase of raw materials, semi-finished products, finished products and consumables; to authorize quotations also different from the standard usual ones;
- d) to request the exact performance of third parties obligations or from third parties;
- e) to open banking/postal accounts; to pay, even through bank wire or checks, to conduct operations both on debt and credit on current accounts of the Company held at banks or post offices, even using overdraft, always in the interest of the Company, and to issue and request the issuance of checks and bank drafts;
- f) to negotiate and execute any document to support a line of credit or financing of any kind granted to the Company, negotiating terms and conditions therein contained; to enter credit factoring agreements;
- g) to perform transactions against railway and custom authorities, re: shipment and/or delivery of goods of any kind;
- h) to issue certificates and declarations that might be required for fiscal reasons, extracts of personnel files for retirement and/or insurance and/or health reasons, and sign any document required by fiscal laws;
- i) to hire and terminate personnel of any qualification, including managers; to sign any associated contracts and establish hiring conditions as any following treatment;
- j) to stand on behalf of the Company in front of any Italian or foreign authorities; to stand on behalf of the Company, either as plaintiff or defendant, in any civil, criminal or administrative court, in any kind of proceedings; to appoint and revoke attorneys, technical consultants and to confer them any power;
- k) to stand on behalf of the Company in front of the Banca d'Italia, Consob or Borsa Italiana S.p.A., with the authority to settle any matter;
- l) to settle any claim or litigation with third parties, to appoint arbitrators or similar and to enter the arbitral award and/or settlement agreement;
- m) to stand on behalf of the Company in any liquidation or dissolution or judicial management established on/entered by third parties.

The Board decided not to set any limit on powers deeming it sufficient to refer significant transactions to the Board and observing that, historically, as was also the case during the Financial Year, the mandated Directors exercised the powers granted to them prudently and exclusively for the ordinary management of Company activities, on which

the Board was kept informed in a regular and timely manner.

Executive Directors are required to report systematically to the Board of Directors and to the Board of Auditors on the exercise of their powers, by providing adequate information on actions performed and, in particular, on any uncommon, atypical or unusual transactions performed in the exercise of their powers.

During the Financial Year, the authorised bodies regularly reported to the Board, in the first practical meeting, on the activity performed in the exercise of the powers granted to them.

4.5.2. Chairman

The Chairman, Massimo della Porta, coordinates and organises the Board's activities, is responsible for its orderly functioning, acts as liaison between Executive and non-executive Directors, sets the agenda, chairs Board meetings and makes every effort to ensure that Board members receive, reasonably in advance of the date of the meeting (except for cases of necessity and urgency), the necessary documentation and information to enable the Board to discuss in an informed manner the matters referred for its examination and approval.

The Chairman of the Board is also Chief Executive Officer, but he is not the only responsible for the management of the Company, since it shares this task with the Managing Director Giulio Canale. Both of them have been candidated to the directorship in a slate submitted by the majority shareholder (S.G.G. Holding S.p.A.).

In accordance with principle 2.P.5. of the 2006 Code, it is acknowledged that the Board has decided to delegate to the Chairman the same powers entrusted to the Managing Director so to enable Massimo della Porta, who had been Managing Director in the term 2006-2008, to continue to contribute actively to the management of the Company and to give strategic guidance as always done as Managing Director in the previous Board appointments (starting from April 29, 1997). The powers given and the coincidence of offices in Massimo della Porta is deemed coherent with the simple organisational structure of the Company.

SAES Getters Corporate Governance Code stipulates that, if the Chairman of the Board also has operational powers, the Board must consider whether to appoint an Independent Director as "lead independent director" in order to reinforce the characteristics of impartiality and balance that are required from the Chairman of the Board.

To this end, the Board on April 21, 2009, deemed opportune to appoint Adriano De Maio as "lead independent director" and in the same date informed the market of such appointment according to the conditions set out in article 66 of the Issuers Regulation.

4.6. Independent Directors

4.6.1. Non-Executive and Independent Directors

The current Board (as appointed by the Shareholders on April 21, 2009) is made up of eleven (11) members, of which two (2) Executives and nine (9) non executive, three (3) of which qualify as Independent Directors, in other words they do not hold nor have they recently held, not even indirectly, relations with the Company or with entities connected to the Company, which might compromise their independence of judgment.

Concerning principle 3.P.1. and application criterion 3.C.3. of 2006 Code, the Company believes that three (3) is the correct number of Independent non-executive Directors to have on the Board.

It also considers that with this composition, the number, expertise, time availability and authority of the non-executive directors is such that it enriches Board discussion and guarantees that their judgment can have a significant weight in the making of considered and informed Board decisions.

Non-executive Directors bring their specific expertise to Board discussions, contributing to the taking of balanced decisions, meeting the Company's interests and paying particular attention to areas where conflicts of interests may exist.

Pursuant to application criterion 3.C.1. of 2006 Code, the Board assesses the independence of its non-executive members more on the basis of substance than form. Moreover, in principle, as part of this assessment, the Board will tend to consider that a Director is not Independent, generally speaking, in the following non-absolute situations:

- a) if he/she holds, directly or indirectly, including through controlled companies, trusts or intermediaries, shareholdings to such an extent that the Director is able to exercise control or significant influence over the Company, or if he participates in Shareholders' agreements through which one or more individuals can exercise control or significant influence over the Company;
- b) if he/she is, or has been in the past three years, a relevant representative⁵ of the Company, of a subsidiary having strategic importance or of a company under joint control with the Company, or of a company or entity which, together with others through a Shareholders' agreement, controls the Company or is able to exercise a significant influence over the latter;
- c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through controlled companies or companies of which he/she is a relevant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship⁶:
 - with the Company, a subsidiary thereof, the controlling company, or with any of their important representatives;
 - with an individual or entity which, together with others through a Shareholders' agreement, controls the Company or with their important representatives;or if he/she is, or has been in the past three years, an employee of one of the aforementioned entities;
- d) if he/she receives, or has received in the preceding three fiscal years, from the Company or from a subsidiary or controlling company, a significant additional remuneration compared with the "fixed" emolument for a non-executive Director of the Company, including through participation in company *performance*-related incentive schemes, including share-based schemes;
- e) if he/she has been a Director of the Company for more than nine years in the last twelve years;
- f) if he/she holds the post of Executive Director in another company in which an Executive Director of the Company holds a post of Director;
- g) if he/she is a shareholder or Director of a company or entity belonging to the network of the company responsible for the financial auditing of the Company;

5 In compliance with application criterion 3.C.2. of 2006 Code, the legal representative, the Chairman of the Board of Directors, the executive Directors and executives with strategic responsibilities (meaning the managers that can take management decisions that can influence the Company evolution and future prospects) must be considered as "relevant representatives" of the Company. In the Financial Year, the following are considered executives with strategic responsibilities: Filippo Cutillo (Corporate Human Resources Manager), Giancamillo Mazzeri (Corporate Strategic Marketing Manager), Fabrizio Doni (Corporate Operations Manager), Patrizia Carrozza (Group Legal General Counsel), Marco Amiotti (Group Business Development Manager) and Nicola Di Bartolomeo (SMA Medical Business Unit Manager).

6 The relationships above are considered to be important if they satisfy the conditions set out in the Borsa Italiana S.p.A. Market Instructions on 1 December 2006, in other words if: "(i) the commercial or financial relations exceed 5% of the turnover of the supplier firm or beneficiary firm; or (ii) the professional services exceed 5% of the income of the Director or EUR 100,000" (as subsequently amended and supplemented).

h) if he/she is a close relative of a person who is in one of the situations described in the previous points and, in particular, where he/she is the non-legally separated spouse, cohabitant *more uxorio*, relative or in-law, within the fourth degree, of a Director of the Company, of the subsidiary companies or controlling company, or companies subject to joint control, or of individuals who are in the situations indicated in the previous points.

The examples listed above are not restricted. The Board must, in its assessment, take into consideration all circumstances which might appear likely to compromise the independence of the Director.

Assessment. Independent Directors agree to promptly notify the Board if an event occurs which may affect their "Independent" status.

The independence of Directors and the relations which could or appear to compromise the independence of judgment of that Director are assessed annually by the Board, on the basis of the information supplied by each of the individuals concerned or otherwise available to the Company. The outcome of the Board's assessments is disclosed to the market in a timely manner at the time of appointment and in the Corporate Governance report.

Where the Board deems that the independence requirement concretely exists, even in the presence of abstractly non-independent situations, the Board will provide appropriate information to the market on the outcome of the assessment, without prejudice to the Board of Auditors' check on the adequacy of the respective reasons.

This does not affect the predominance of more restrictive legislative or by laws provisions which stipulate that the Director must step down if he no longer satisfies certain independence requirements.

Pursuant to principle 3.P.2. and to application criterion 3.C.4. of 2006 Code, in the meeting of February 18, 2010, as every year, the Board assessed the degree of independence of its Directors in the light of article 3 of the SAES Getters Corporate Governance Code and in accordance with existing legislation (article 147-ter of the Consolidated Finance Act) and, on the basis of the requirements set by article 148, third paragraph, of Consolidated Financial Act (as recalled in article 147-ter paragraph 4 of the Consolidated Finance Act) confirmed that the Directors Adriano De Maio, Roberto Orecchia and Andrea Sironi were "Independent".

The Board did not need to use additional or different criteria, since there were not situations falling, even also theoretically, in the cases listed by the Code as symptoms of independence failure.

The three Directors filed specific declarations to this extent ahead of the Shareholders Meeting. The Board of Directors as soon as possible after the Shareholders Meeting confirmed the qualification of the three Directors as Independent and let the market know accordingly on the same day (April 21, 2009).

Also to the extent of application criterion 3.C.5. of 2006 Code, the Board of Auditors verified the correct application of the criteria adopted by the Board of Directors to assess the independence of its members, taking note of the declarations made by the individuals concerned.

Meetings. Following application criterion 3.C.6. of 2006 Code, the Independent Directors generally meet once a year without the presence of the other Directors, where they deem it appropriate (including in the light of the number attending meetings of the Board and of the various Committees). The meeting can take place informally and even by means of audio or video conference.

During the Financial Year, the Independent Directors did not deem it necessary to meet without the presence of the other Directors, having considered the quality of the infor-

mation received from the authorised bodies and their active participation in the Board and in the Committees, which allowed them to deepen adequately the issues they are requested usually to focus on.

Number. Where the Shareholders' Meeting decides to change the number of Board members, it is advisable that the following proportions be maintained:

- Board comprising up to eight (8) members: at least two (2) Independent Directors;
- Board comprising nine (9) to fourteen (14) members: at least three (3) Independent Directors;
- Board comprising more than fourteen (14) members: at least four (4) Independent Directors.

4.6.2. Lead Independent Director

As explained in paragraph 4.5. above, given the fact that the Chairman of the Board is entrusted with delegated powers, although not being the sole or main person responsible for the management of the Company, but being the Chief Executive Officer, the Board, in view of application criterion 2.C.3. of 2006 Code, on April 21, 2009, deemed appropriate to appoint the Independent Director Adriano De Maio as "lead independent director". The lead independent director represents a reference and coordination point for the requests and contributions of non-executive Directors (and in particular of the Independent Directors), for a better contribution to the activity and operation of the Board. The lead independent director works (as he has worked in the Financial Year) with the Chairman in order to guarantee that the information flows to the Directors are complete and timely. The lead independent director is granted, *inter alia*, the power to convene, at his own initiative or at the request of other Directors, special meetings involving only Independent Directors to discuss subjects deemed to be of interest regarding the functioning of the Board of Directors or the Company's operations. Adriano De Maio is Chairman of both the Committees established within the Board (Audit and Compensation Committees).

4.7. Board's Internal Committees

For a more effective performance of its duties, the Board has established - by resolution - an internal Audit Committee and Compensation Committee, with the functions described below.

The eldest Board member of each Committee reports periodically to the Board on the work of that Committee.

Both Committees exclusively comprise non-executive Directors, the majority of whom are Independent.

The following table shows the composition of Committees established within the Board (taking into account that the Company has neither Executive Committee nor the Appointment Committee).

Name	Title	Compensation Committee ⁷	% attendance	Audit Committee ⁸	% attendance
Massimo della Porta	Chairman				
Giulio Canale	Managing Director & Chief Financial Officer				
Stefano Baldi	Non executive director	M	100		
Adriano De Maio	Independent director	C	100	C	100
Giuseppe della Porta	Non executive director				
Andrea Dogliotti	Non executive director			M	100
Andrea Gilardoni	Non executive director				
Pietro Mazzola	Non executive director				
Roberto Orecchia	Independent director				
Andrea Sironi	Independent director	M	100	M	100
Gianluca Spinola	Non executive director				

7 C/M if Chairman or Member.

8 C/M if Chairman or Member.

The Board makes every effort to ensure that there is appropriate rotation within the Committees, unless for any reason it is deemed appropriate to confirm one of more Directors beyond the prescribed terms of office.

This does not affect the Board's right to establish one or more additional internal Committees with propository and consultative functions which will be specifically defined in the Board resolution that establishes such Committees.

The Company reports that, in the Financial Year, the Compensation Committee met twice (with a 100% attendance of its members), while the Audit Committee met four times (with a 100% attendance of its members).

The Directors who are part of the Audit Committee receive additional compensation set by the Shareholders' Meeting for that role (i.e. an individual remuneration equal to Euro 9,000.00 for each member, Euro 16,000.00 for the Chairman).

The Directors who are part of the Compensation Committee receive additional compensation set by the Shareholders' Meeting for that role. The Shareholders for the first time on April 21, 2009 established a compensation for this Committee (i.e. an individual remuneration equal to Euro 4,000.00 for each member, Euro 7,000.00 for the Chairman); prior to April 21, 2009 no compensation was set for the members of such Committee.

With reference to application criterion 5.C.1. lett. d) of 2006 Code, it's worth clarifying that the existing Committees (Compensation Committee and Audit Committee) are not endowed with a predefined budget but have unlimited disbursement powers, even though with a duty to report to the Board.

4.7.1. Audit Committee

Please refer to paragraph 6.5. (Internal Control System).

4.7.2. Appointment Committee

Referring to principle 6.P.2. of 2006 Code, the Board did not consider it necessary, given the composition of the Company's Shareholders and not having experienced difficulties in gathering proposed appointments from Shareholders, to establish an internal Committee to propose appointments for the position of Director.

4.7.3. Executive Committee

As anticipated in paragraph 4.4., the Board has not appointed an Executive Committee.

4.7.4. Compensation Committee

Pursuant to principle 7.P.3. of the 2006 Code, the Board has established an internal Committee to determine remuneration and any stock option or share allocation plans (Compensation Committee).

This Committee comprises three (3) non-executive Directors, Stefano Baldi, Andrea Sironi and Adriano De Maio, the majority of whom are Independent. For details, refer to the table above and to the one enclosed as Appendix 1.

In the Financial Year, the Committee met twice (with an average meeting duration of 45 minutes) to discuss, among other things, the proposal to give a career award to the founder Paolo della Porta; the assessment and proposal for contracts and compensation for the Executive Directors for the three year term 2009-2011; the measurement of the 2008 targets set forth the Executive Directors; evaluation of the compensation for the lead independent director.

All the directors attended all the meetings of the Committee.

The Compensation Committee, which works in substantial compliance of the application criteria 5.C.1. and 7.C.3. of 2006 Code:

- submits proposals to the Board concerning the remuneration of the Chairman and of the Managing Director and of those who hold particular posts, monitoring the application of the decisions taken by the Board;
- evaluates the criteria adopted for the remuneration of executives having strategic responsibilities⁹, monitors their application on the basis of the information provided by the Executive Directors and makes general recommendations on the matter to the Board.

It is the responsibility of the Executive Directors to define the policies and levels of remuneration for the managers with strategic responsibility and to establish their targets which, if reached, will allow them to benefit from the incentive system. The Compensation Committee has also the duty of proposing the introduction of incentive schemes to the Board.

In the performance of its duties, the Compensation Committee has the right to access Company information and access the units necessary to perform the duties allocated and to make use of external advisors at the Company's expenses. The Compensation Committee did not deem necessary to avail itself of these opportunities during the Financial Year.

The Compensation Committee is chaired and meets at the initiative of the eldest member, who calls Committee meetings without any formality (even orally) and without the need for prior notice. Individuals who are not members of the Committee may be invited to attend meetings, in relation to individual items on the agenda. No Director may take part in Compensation Committee meetings in which proposals are discussed regarding the remuneration of the Board.

⁹ Meaning the managers that can take management decisions that can influence the Company evolution and future prospects. In the Financial Year, these managers can be identified as Filippo Cutillo (Corporate Human Resources Manager), Giancamillo Mazzeri (Corporate Strategic Marketing Manager), Fabrizio Doni (Corporate Operations Manager), Patrizia Carrozza (Group Legal General Counsel), Marco Amiotti (Group Business Development Manager) and Nicola Di Bartolomeo (SMA Medical Business Unit Manager).

The proceedings of Committee meetings are recorded in minutes. The eldest member of the Compensation Committee reports periodically to the Board on the Committee's work.

No meeting of the Committee has been scheduled for 2010 yet. Up to the date of the present Report, no meeting has been held.

4.8. Remuneration of Directors

The Shareholders' Meeting of April 21, 2009 resolved, pursuant to article 18 of the By-laws, to set the total compensation for the Board for the Financial Year and for subsequent years, until otherwise decided, in the annual overall amount of EUR 120,000.00. In the first meeting held after the Shareholders' Meeting, the Board resolved upon the split of the total consideration to which each member of the Board is entitled.

The remuneration of the Executive Directors and those vested with particular duties is set by the Board, in the absence of those directly concerned (following application criterion 7.C.4. of 2006 Code), upon proposal of the Compensation Committee, having consulted with the Board of Auditors.

On April 21, 2009, in the first meeting held after the Shareholders' Meeting, the Board resolved upon the compensation of the Chairman and the Managing Director, taking into account the proposal made by the Compensation Committee and after consulting the Board of Auditors. The fixed remuneration of the Chairman and the Managing Director is set in proportion of the powers entrusted to them.

For the information on the compensation received by Directors and on the cumulative remuneration received by executives with strategic responsibilities¹⁰ during the Financial Year, please refer to the specific information included in the included in the Notes to the 2009 Financial Statements. Please refer to paragraph 2.7. for the information about the severance due to the Executive Directors in case of termination of the relationship.

The remuneration of the Executive Directors and top managers (including executives with strategic responsibilities) is made of a fixed portion and a variable one, substantially linked to the corporate results achieved and to the achievement of individual targets.

The Company has not adopted stock option plans.¹¹

As per principles 7.P.1. and 7.P.2. of the 2006 Code, the remuneration of Directors is established in a sufficient amount to attract, retain and motivate Directors endowed with the professional qualities necessary for managing the Company successfully.

The remuneration of Executive Directors is structured in such a way as to align their interests with the priority objective of creating value for Shareholders over the medium to long term.

As a rule, the Board, in determining the total compensation for Executive Directors, stipulates that, complying with application criterion 7.C.1. of 2006 Code, part of the latter is linked to the economic results achieved by the Company and, where applicable, to the achievement of specific targets previously identified by the Board.

It is the Board's duty, upon proposal of the Compensation Committee, to establish whether to make extensive use of such remuneration systems and to define the targets

¹⁰ See note 9

¹¹ For clarity's sake, it is worth reminding that, on April 21, 2009, the Shareholders approved the proposal of ordinary shares free assignment to the founder Paolo della Porta, in addition to a cash amount that can enable Paolo della Porta to pay the related taxes, as special career acknowledgement.

By the time of the assignment Paolo della Porta was no longer director of the Company or of its controlled companies, or employee or manager of the Company. For further details please refer to the separate Directors' Report issued on March 17, 2009, or to the information document prepared pursuant to article 84-bis of Issuers Regulation, both available on the website www.saesgetters.com (section Investor Relations/Corporate Documents).

for Executive Directors.

Pursuant to application criterion 7.C.2. of 2006 Code, the remuneration of non-executive Directors is proportional to the commitment assumed by each of these, taking into consideration any participation in one or more Committees, and is not linked to the economic results achieved by the Company. Non-executive Directors are not involved in any share-based incentive schemes.

4.9. Honorary Chairman

According to the Articles of Association, the Board of Directors may appoint, in addition to its members, an Honorary Chairman, who, if appointed, shall last for the duration of the Board of Directors and may be re-elected.

The Honorary Chairman is invited to attend either the Board of Directors' meetings and the Shareholders' Meetings. No power can be delegated to the Honorary Chairman by the Board.

On April 21, 2009 the Board appointed the founder and former Chairman of the Board Paolo della Porta as Honorary Chairman.

No compensation is due to the Honorary Chairman for the office.

5. Handling of company information

On March 24, 2006, the Board took measures to conform to the new provisions of the Consolidated Finance Act, the Issuers Regulation, as supplemented by Consob resolution no. 15232 of November 29, 2005, and the Regulations for Markets Organised and Managed by Borsa Italiana S.p.A. and the respective Instructions, as amended following the Savings Law, to incorporate the EU directive on market abuse, by introducing ad hoc internal procedures or by modifying and updating existing procedures.

More specifically, the Board adopted:

- the *Procedure for the Handling of Inside Information*: even to the extent of application criterion 4.C.1. of 2006 Code, defines the conduct that Directors, Auditors, employees and managers must adopt in relation to the internal handling and market disclosure of inside information, in other words information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments, which, if it was made public, would be likely to have a significant effect on the prices of those financial instruments.

The above procedure, available on the Company's website (section Investor Relations /Corporate Governance/Inside Information), is drawn up in order to ensure that information about the Company is disclosed with full and complete respect for the principles of correctness, clarity, transparency, timeliness, widespread and consistent dissemination to guarantee equality of treatment, completeness, intelligibility and continuity of information, in a complete and adequate form and through institutional channels and in compliance with the procedures established by the Company, and in order to guarantee that the internal handling of information is done, in particular, with respect for the duties of confidentiality and lawfulness;

- the *Insiders Register*: created with effect from April 1, 2006, identifies individuals who, by virtue of their working or professional activities or by virtue of the duties performed, have access to the information indicated in article 114, paragraph 1, of the Consolidated

Finance Act, in accordance with article 115-*bis* of the Consolidated Finance Act and articles 152-*bis*, 152-*ter*, 152-*quater*, 152-*quinquies* of the Issuers Regulation.

The Board has moreover approved a **Code of Conduct for Internal Dealing** which sets out the disclosure obligations that Significant Persons and/or Persons Closely Associated with Significant Persons, as identified in the Code, are required to observe, in relation to transactions that they carry out involving the Company's financial instruments or other associated financial instruments. The Internal Dealing Code also sets out the obligations that the Company is required to satisfy in relation to the market with regard to transactions involving financial instruments carried out by Significant Persons and by Persons Closely Associated with Significant Persons. The Internal Dealing Code makes provision for "black-out periods", i.e. predetermined periods (the 15 calendar days before Board meetings called to approve the period accounts) during which the persons subject to the Code's provisions are not permitted to perform transactions involving SAES Getters financial instruments or associated financial instruments.

The Board of Directors on August 28, 2008, agreeing with a proposal of the Managing Directors (at the time Massimo della Porta and Giulio Canale), with reference to the meetings of the Board called to approve quarterly reports, half year report and yearly Financial Statements, decided to extend the black out period set for in section 8.1. of the Internal Dealing Code until the 24 hours following the issuance of the press release, amending accordingly the Internal Dealing Code.

The Board reserves the right to make, upon proposal of the Executive Directors, including by granting special powers, all the changes or amendments to procedures deemed necessary as a result of legislative or regulatory changes or which are simply appropriate.

During the Financial Year, the transactions carried out by Significant Persons were disclosed to the market and to the competent authorities. The related filing models and the Code of Conduct for Internal Dealing are available on the Company's website (section Investor Relations/Corporate Governance/Internal Dealing).

Also in compliance with principle 4.P.1. of 2006 Code, Directors and Auditors are required to keep confidential the documents and information acquired in the performance of their duties and to follow the procedures adopted for the internal handling and external disclosure of such documents and information.

Information externally disclosed must be uniform and transparent. The Company must portray itself accurately and coherently in its communication with the mass media. Dealings with the mass media are reserved exclusively for the Chairman and for the Managing Director, or for the delegated Company units.

6. Internal control system

Pursuant to principles 8.P.1. and 8.P.2. of 2006 Code, the **Internal Control System** is defined as the set of rules, procedures and organisational structures through which the Company is managed soundly and correctly and consistently with the established goals, through an adequate identification, measurement, management and monitoring of the main risks.

An effective Internal Control System helps to guarantee the safeguarding of the Company's assets, the efficiency and effectiveness of business transactions, the reliability of financial information and compliance with laws and regulations.

The Internal Control System is maintained by the following players, which are involved

at different stage or for different reason in the governance and control system. Each player has a specific task as defined in the SAES Getters Corporate Governance Code and below described:

- the Board of Directors;
- the Managing Director;
- the Board of Auditors;
- Oversight Committee;
- Audit Committee;
- Internal Control Officer;
- Internal Audit.

Moreover, other players are involved for various reasons and with different accountability level in managing the Internal Control System, like:

- the Officer Responsible for the preparation of corporate financial reports pursuant to Decree no. 262/05;
- the audit firm;
- other functions involved with the Internal Control (quality, safety, etc...);
- other bodies required by different laws (like ISO certification bodies).

The Board deems that the current framework of the subjects involved within the governance and control system and the interactions amongst them are able to ensure a high level of trust on the ability of the implemented Internal Control System to meet its goals. Such evaluation, being referred to the overall Internal Control System is limited by the inner nature of the System. Even if well designed and thought, in fact, the Internal Control System can only ensure meeting the corporate targets with reasonable likelihood.

We report hereinafter some information associated with the main features of the risk management and Internal Control Systems in force with reference to the process for administrative and accounting information, also consolidated.

6.1. The administrative and accounting control system, with reference to administrative and accounting information

Premises

The law evolution of the last few years came to rule upon different aspects of the Internal Control System and the associated proliferating of control models and of bodies called to provide for the reliability of such models.

In this framework, the Administrative and Accounting Control Model (hereinafter also **"Control Model"**) has to be considered, as a document describing the Internal Control System with specific reference to the financial information flow.

The Internal Control System with specific reference to the financial information flow interacts with the more general risk management and control system: both are pillars of the SAES Getters Group Internal Control System and contribute to the achievement of the goals above described.

Specifically, as to the financial information flow, the System aims at ensuring:

- the reliability of the information, its correctness and compliance with the accounting principles and the law requirements;
- the accuracy of the information, its being neutral and precise;
- the trustworthiness of the information, which needs to be clear and complete so to allow investors informed investment decision;

-
- prompt availability of the information, meaning its being available for the disclosure deadlines set forth by relevant laws and regulations.

The task of monitoring the level of implementation of the above mentioned Control Model is entrusted by the Board of Directors to the Officer Responsible for the preparation of corporate financial reports (hereinafter also the **“Accounting Officer”**) and to the Managing Director.

The guidelines taken as reference in designing, implementing, monitoring and updating the Control Model, even if not expressly indicated, are the guidelines established in the CoSo Report¹². Please make reference to following paragraphs 6.2. and 6.9. for the specific features of the Control Model and the tasks entrusted to the Accounting Officer.

Also to the extent to ensure the integration of the Internal Control System for the financial information flow with the more general corporate risks Internal Control System, the Accounting Officer has to work closely with the Internal Audit Department; from time to time the Accounting Officer requires the Internal Audit to perform regular independent tests to assess the compliance with the accounting administrative procedures.

These tests, by selecting specific processes amongst the ones deemed relevant pursuant to the risk assessment procedure described below, are always included in the more general testing performed by the Internal Audit Department while auditing the SAES Getters Group subsidiaries.

6.2. The administrative and accounting control model

On May 14, 2007, the Board of Directors of the Company approved the Administrative and Accounting Control Model, the adoption of which is aimed at ensuring compliance with the provisions of Law No. 262 of December 28, 2005 (hereinafter also the **“Savings Law”**), defining specifically obligations pertaining to the preparation of corporate accounting documents and all documents and communications of a financial nature disclosed to the market.

The Control Model provides a set of rules and Company procedures in order to ensure that, through proper identification and management of the major risks associated with the preparation and disclosure of financial information, the corporate objectives of truthfulness and correctness of the financial information are met.

6.2.1. Control Model Elements

The Control Model’s main features are:

- general control environment;
 - administrative-accounting risk assessment;
 - administrative-accounting manuals and procedures,
- strictly interrelated and subject to a continuous update and periodic evaluation.

The general control environment is the foundation of any efficient Internal Control System. The documents that describe its main features are: the Code of Ethics and Business Conduct, SAES Getters Corporate Governance Code, the organisational chart, the organisational communications, powers and proxies system.

¹² Report made by the Treadway Commission of the Committee of Sponsoring Organisations (CoSo) of 1992, which is considered as best practice benchmark for designing the Internal Control Systems and of the Enterprise Risk Management Framework published in September 2004.

The administrative-accounting risk assessment is the process aiming to the identification and evaluation of the risks associated with the accounting and financial information, either with regard to unintentional mistakes and possible fraud risks. The risk assessment is carried out at each subsidiary level and at each relevant process level. Criteria established by Legislative Decree no. 61/2001 are followed to determine the materiality sensitivity.

The assessment is repeated and updated, yearly, by the Accounting Officer, supported by Internal Audit Department, subsequently shared with the Managing Director; it encompasses:

- identification, through quantity (dimensions) and quality (relevance) criteria, of the Financial Statements item/financial information that may have high volatility or error risks, with reference to the Financial Statements of the Company, the consolidated Financial Statements, the Financial Statements of the subsidiaries;
- identification, for each relevant Financial Statements item/financial information, of the underlying process/accounting flow and of the associated controls;
- communication to the involved departments of intervention areas whose controls efficiency and effectiveness need to be monitored.

If, in any selected risk area, further to the periodical risk assessment, the control activities resulted to be not properly documented or formalized, the head of the department in charge of the process or of the accounting flow, would be in charge, with the assistance of the Accounting Officer and, if needed, of the Internal Audit, to provide and file adequate documents in order to ensure the evaluation of the controls existing within the area inquired.

The body of SAES Getters manuals and of the administrative-accounting procedures is given essentially by the following:

- *Group Accounting Principles*: document which aims at promoting the development and application of uniform criteria within SAES Getters Group as to tracing, classification and measurement of business facts;
- *IAS (International Accounting Standard) Operational Instructions* enclosed to Group Accounting Principles, ruling most relevant issues concerning the international accounting principles application into SAES Getters Group;
- *Administration and Accounting Procedures*: procedures that define responsibilities and control rules to follow in handling administrative-accounting issues, with specific reference to periodic accounting closures;
- *Administrative and Accounting Control Matrixes*: they describe control activities to be carried out for each administrative and accounting process to meet the Financial Statements assumptions; the controls therein described represent the operation of the control principles (for single process) set forth within the Administration and Accounting Procedures;
- *Accounting and financial closing timetable*: it is a document which is monthly updated and circulated and is used to define the schedule for the accounting closure process, Financial Statements, Reporting Package and consolidated Financial Statements;
- *SAES Getters operational instructions*: they define the responsibilities, the activities and technicalities, in terms of authorization, execution, control, formalization and data entry, with regards to areas that are deemed relevant.

6.2.2. Evaluations about the adequacy and functionality of the Control Model

The head of the departments and of the subsidiaries which are involved in the accounting financial information definition and management, are accountable for the proper working and the update of the administrative and accounting Internal Control System as to all the

processes and the flows up to them, and they have to keep verifying the correct operation of the administrative and accounting procedures, their adequacy and the update of the control matrixes.

Moreover, the administrative and accounting Internal Control System is subject to independent testing performed by Internal Audit Department to assess the adequacy of the framework and efficiency of the controls into being. The testing activity must be carried out on the basis of the general Audit plan, as checked by the Internal Control Officer and approved by the Audit Committee.

The Accounting Officer is also in charge of regularly monitoring the adequacy and functioning of the administrative and accounting Internal Control System, on the basis of the reports received from the head of each functions and of the subsidiaries, together with the Internal Audit reports.

The Accounting Officer also has the duty to inform the Managing Director, the Board of Directors and the other control bodies, in addition to the audit firm, about the outcome of the assessment made and about the monitoring on the implementation of the Internal Control System. To this extent, he has to point out to the Managing Director any anomaly that can negatively affect their joint representation on the financial information.

The Accounting Officer provides the Board of Directors with regular reports on the controls performed and their outcome, on the evolution of the Control Model: these reports are used as reference for the qualitative description enclosed to the official representations to the half year consolidated Financial Statements, of the annual consolidated Financial Statements and the annual report.

All the documents related to the control activities performed and their outcome are made available to the audit firm for its own use.

6.3. Administrative and accounting control system of subsidiaries

As per the Control Model, the Accounting Officer, with the support of the Group Consolidation and Reporting Manager, ensures the dissemination and the updating of the control rules of the subsidiaries, so that they are in line with the Group principles.

The individuals in charge of the definition and management of the accounting financial information for the subsidiaries i.e. the local administration officers and/or financial controllers, together with their General Manager, are in charge of:

- ensuring that the activities and the existing controls within the financial information feeding process are in line with principles and objectives that are set at Group level;
- keep on monitoring the controls so identified, to make sure they are efficiently operating;
- evaluate on semester basis, the status of the administrative and accounting Internal Control System, also through:
 - financial audit report released by Internal Audit Department,
 - internal representation made by any department;
- promptly inform, and however on regular basis, the Managing Director or the Accounting Officer about:
 - relevant changes within the Internal Control System in order to plan specific control activities to be implemented,
 - any inconsistency or other recognition that may cause significant errors in the accounting information.

Given the limited size of the control structure of most of the subsidiaries, the Company decided not to issue specific procedures to cover the processes that affect the account-

ing information feeding for such detailed control matrixes, whose testing is entrusted to the administration officers/financial controllers of each controlled company.

The Accounting Officer, supported by the Internal Audit, on the basis of the remarks made by the administration officers/financial controllers of the subsidiaries, makes sure that the matrixes are regularly updated, so to have a reliable basis for testing the adequacy and efficiency of the administrative and accounting Internal Control System at subsidiary level.

The subsidiaries' filling out the matrixes is preparatory for the release of an internal "representation letter" that each general manager, together with the administration officer/financial controller has to send to the Accounting Officer on semester basis.

6.4. Board of Directors

Following principle 8.P.3. of 2006 Code, the Board of Directors evaluates the adequacy of the Internal Control System with reference to the characteristics of the Company.

The Board of Directors, with the assistance of the Audit Committee:

- a) defines the guidelines of the Internal Control System, so that the main risks concerning the Company and its subsidiaries are correctly identified, adequately measured, managed and monitored; it also determines the criteria to establish whether such risks are compatible with a sound and correct management of the Company;
- b) identifies the Managing Director as the Director responsible for supervising the functionality of the Internal Control System; on April 21, 2009, the Board decided to identify Giulio Canale as Director responsible for supervising the functionality of the Internal Control System with the duties described under article 8.3. of the SAES Getters Corporate Governance Code;
- c) evaluates, at least on an annual basis, the adequacy, efficiency and effectiveness of the Internal Control System;
- d) describes, in the Corporate Governance Report, the essential elements of the Internal Control System, expressing its evaluation on the overall adequacy of the same.

Pursuant to principle 8.P.3. of 2006 Code, the Board of Directors ensures that its evaluations and decisions relating to the Internal Control System, the approval of the annual Financial Statements and the half yearly reports and the relations between the Company and the audit firm are supported by adequate investigative work.

Moreover, the Board, upon proposal of the Managing Director, in his capacity as Director responsible for supervising the functionality of the Internal Control System and after consulting with the Audit Committee, appoints and dismisses one or more Internal Control officers and defines their remuneration in line with Company policies.

The Board of Directors exercises its duties in relation to the Internal Control System taking into due consideration the reference models and best practices existing both nationally and internationally. Particular attention is paid to the Organisation and Management Model adopted pursuant to Legislative Decree no. 231 of June 8, 2001 (as defined in paragraph 6.10. below).

6.5. Managing Director

On April 21, 2009, the Board identified the Managing Director Giulio Canale as the Director responsible for supervising the functionality of the Internal Control System and, in particular, with reference to application criterion 8.C.5. of 2006 Code, he:

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- a) identifies the main business risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and submits them periodically to the review of the Board;
 - b) implements the guidelines defined by the Board of Directors, by designing, establishing and managing the Internal Control System and by constantly monitoring its overall adequacy, efficiency and effectiveness; moreover, he brings the system into line with changes taking place in operating conditions and in the legislative and regulatory framework;
 - c) makes proposals to the Board regarding the appointment, dismissal and remuneration of one or more Internal Control Officers.

The Managing Director, with the assistance of the Internal Audit Department, regularly checked upon the Internal Control System in the Financial Year. The identification of the main corporate risks is disclosed in the annual report included in the 2009 Financial Statements. However, it is worth noting that, with reference to application criterion 8.C.5. of 2006 Code and the restructuring process that was launched during the Financial Year, the Managing Director, in his capacity as the Director responsible for supervising the functionality of the Internal Control System, although regularly checking the overall adequacy, efficiency and functionality of the Internal Control System and keeping the main risks identification running, did not deem appropriate to submit them to the Board of Directors; in fact, a new identification of the main corporate risks will be performed at the end of the restructuring process that will be completed in 2010. The outcome of this assessment will be submitted to the Board.

6.6. Internal Control Officer

The Internal Control Officer is appointed by the Board, upon proposal of the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System) and after consulting with the Audit Committee.

The Board, in its meeting of April 21, 2009, upon proposal of Giulio Canale, having obtained the favourable opinion of the Audit Committee, taking into account the application criterion 8.C.7. of 2006 Code, appointed Claudio Vitacca, who is the Head of the Internal Audit Department, in the position of Internal Control Officer.

With reference to application criterion 8.C.1. of 2006 Code, the Board of Directors did not deem necessary to define an additional compensation for Claudio Vitacca for this particular office, on the top of the compensation he already receives as employee and Head of the Internal Audit Department. This compensation is in line with the corporate HR policies normally applied.

The Internal Control Officer is not responsible for any operational division and does not report hierarchically to any head of operational divisions (including the administration and finance division).

The Officer acts in substantial compliance of application criterion 8.C.6. of 2006 Code. He is responsible for ensuring that the Internal Control System is always adequate, fully operating and effective.

The Officer has direct access (and had access during the Financial Year) to all relevant information for the performance of his duties and has adequate means at his disposal to carry out the duties assigned to him.

The Officer reports on his work to the Managing Director responsible for supervising the functionality of the Internal Control System as well as to the Audit Committee and to the Board of Auditors.

In particular, the Officer reports (as he did in the Financial Year) about the procedures

according to which risk management is performed, as well as about compliance with the plans defined to minimise risks and express his opinion on the suitability of the Internal Control System in achieving an acceptable overall risk profile.

Individuals from outside the Company can be appointed to the role of Internal Control Officer, provided, however, that they adequately meet the requirements of professionalism and independence. In this case, the adoption of such an organisational choice, with a satisfactory explanation of the relevant reasons, is disclosed to the Shareholders and to the market in the Corporate Governance Report.

During the Financial Year, the Internal Control Officer, as head of the Internal Audit Department, implemented the audit plan as approved by the Audit Committee, performing, among other things, general audit review activities at the US companies of the Group, at some departments of the Company and of SAES Advanced Technologies S.p.A. Moreover, he monitored the implementation level of the recommendations contained in any previous audit report aiming at reinforcing the Internal Control System. The Officer also periodically reported to the Audit Committee, to the Managing Director on the capability of the Internal Control System of meeting an acceptable risk profile.

The annual budget allocated for the Internal Control Officer is of about EUR 10,000.00. This budget can be increased upon recurring specific needs.

6.7. Internal Audit

Also pursuant to application criterion 8.C.7. of 2006 Code, an independent Internal Audit Department is operating as part of the Company's Internal Control System. This unit is structured to:

- assess the adequacy of operational and administrative internal procedures, in terms of effectiveness, efficiency and cost-effectiveness, to check if those procedures are actually observed; and
- provide assistance and consultancy to the Board, to the Managing Director for the purposes of identifying, preventing and managing financial and operational risks as means of safeguarding the Company's assets.

In general, Internal Audit supports the Board, the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System), the Audit Committee, the Oversight Committee, the Accounting Officer in the performance of their duties and carries out any checks requested by the Board of Auditors.

Following application criterion 8.C.8. of the 2006 Code, the Internal Audit function may be entrusted, as a whole or in part, to persons outside the Company, provided, however, that they adequately meet the requirements of professionalism and independence. The adoption of such an organisational choice, with a satisfactory explanation of the relevant reasons, should be disclosed to the Shareholders and the market in the Corporate Governance Report.

Nonetheless, the Internal Audit Department is currently carried out by internal resources (and namely Mr Claudio Vitacca, who has been appointed as Internal Control Officer too, as above specified).

6.8. Audit Committee

Composition and Functioning. In light of principle 8.P.4. of 2006 Code, the Board has established an Internal Control Committee (Audit Committee) comprising three (3) non-executive Directors, the majority of whom are Independent. On April 21, 2009, the Board

appointed Adriano De Maio, Andrea Sironi and Andrea Dogliotti as members of the Audit Committee. For details, please refer to the table in opening of paragraph 4.7. above and to the one enclosed under Appendix 1.

At least one member of the Committee has adequate experience in accounting and financial matters. This member is Andrea Sironi, namely.

The Audit Committee is chaired and meets at the initiative of the eldest member, who calls Committee meetings without any formality (even orally) and without the need for prior notice. The proceedings of Committee meetings are recorded in minutes. The Chairman of the Board of Auditors or another auditor designated by the Chairman of that Board takes part in the Committee's work. At the invitation of the Committee, the head of the Internal Audit Department attends all the Committee meetings.

The Committee carries out its duties, listed below, in coordination with the Board of Auditors, with the Company's Internal Audit Department, with the Internal Control Officer and the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System).

In the performance of its duties, the Audit Committee has the right to access Company information and access the units necessary to perform the duties allocated and can make use of external advisors at the Company's expense. The Audit Committee did not deem necessary to avail itself of these opportunities during the Financial Year.

Individuals who are not members of the Committee may be invited to attend meetings, in relation to individual items on the agenda. The eldest member of the Audit Committee reports periodically to the Board on the Committee's work.

Duties of the Audit Committee. The Audit Committee, which acts in substantial compliance with application criteria 5.C.1. and 8.C.1. of the 2006 Code:

- a) assists the Board in defining the guidelines for Internal Control System and in carrying out the periodical assessment of its adequacy and effectiveness;
- b) at the request of the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System), expresses opinions on specific aspects of the identification of the principal business risks as well as on the design, implementation and management of the Internal Control System;
- c) reviews the work plan prepared by the Internal Audit Department, as endorsed by the Internal Control Officer and their periodic reports;
- d) evaluates, together with the Accounting Officer and with the audit firm, whether accounting principles are being used correctly and consistently for the purposes of preparing the consolidated Financial Statements;
- e) evaluates any comments arising from the periodic reports submitted by the Internal Control Officer and from the notifications of the Board of Auditors and of its individual members;
- f) reports to the Board, on the activity carried out and the adequacy of the Internal Control System, at least once every six months, at the time of approving the annual accounts and half-yearly report;
- g) expresses opinions on certain related party transactions (as better explained in paragraph 4.4.1.);
- h) performs any additional duties that might be assigned to it by the Board.

During the Financial Year, the Audit Committee met four times, every three months.

The average duration of each meeting is of about one hour.

All the members of the Committee and the Internal Control Officer attended all the meetings. For financial year 2010 five meetings are scheduled. One meeting took already place on February 18, 2010.

During the Financial Year, the Audit Committee:

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- assisted the Board in determining the guidelines for the Internal Control System, in the periodic assessment of its adequacy and effective functioning;
 - monitored the advancing of the audit plan as prepared by the Internal Audit Department and the implementation of the recommendations issued from time to time;
 - evaluated together with the Accounting Officer and the audit firm whether accounting principles have been used correctly and consistently for the purposes of preparing the consolidated Financial Statements;
 - reported to the Board (on March 13, 2009 and August 27, 2009) on the activities performed and the adequacy of the Internal Control System.

The Audit Committee carried out its own activities also through contacts with the audit firm, the Chairman of the Board of Auditors, Internal Control Officer and the Head of the Internal Audit Department.

6.9. Officer responsible for the preparation of corporate financial reports

On April 21, 2009, the Board appointed and confirmed Michele Di Marco, Administration, Finance & Control Manager, as Officer Responsible for the preparation of corporate financial reports, after obtaining the opinion of the Board of Auditors, in accordance with new article 154-*bis* of the Consolidated Finance Act, introduced by the Savings Law.

Pursuant to article 24 of the By-laws, introduced by resolution of the Extraordinary Shareholders' Meeting of June 29, 2007, the Accounting Officer must meet the requirements of professionalism characterised by qualified experience of at least three years in the performance of administrative, accounting and/or auditing activities, or in the performance of management or consultancy duties on financial, administrative, accounting and/or auditing matters, in listed companies and/or related groups of enterprises, or companies, entities and enterprises of substantial size and importance, also with regard to the function of preparing and auditing accounting records and corporate documents. The term of office of the Accounting Officer expires at the end of the term of office of the Board which appointed him (approval of the 2011 Financial Statements). He is eligible for re-election. Mr. Di Marco was appointed Accounting Officer on June 29, 2007. The Accounting Officer is vested with independent powers of expenditure and signature. The Board ensures that Mr. Di Marco has adequate powers and resources to carry out the duties allocated to him under the same article 154-*bis* of the Consolidated Finance Act, those allocated by the Board at the time of appointment and that administrative and accounting procedures are being properly followed.

On May 14, 2007, the Board approved a document describing the Control Model adopted by the Company, as described in paragraph 6.2., in order to better guarantee reliability of the financial information disclosed to the market and the activities of the Accounting Officer. In particular, the document:

- describes the components of the Control Model;
- sets out responsibilities, resources and powers of the Accounting Officer;
- sets out rules of conduct, roles and responsibilities of the Company's organisational structures involved in any way;
- defines the process of certifying financial information (formally and internally).

6.10. Organisational model pursuant to legislative decree 231/2001

The Legislative Decree no. 231 of June 8, 2001, on "*Regulations governing the administrative responsibility of legal persons, companies and associations and of bodies without*

legal personality” introduced into the Italian legal order a system of administrative responsibility applicable to companies in relation to specifically established crimes committed in their interest or to their advantage by Directors, managers, employees.

In its resolution of December 22, 2004, the Board approved and adopted its “organisational, management and control model” within the meaning of and in accordance with Legislative Decree no. 231/2001 (hereinafter also the “**231 Model**”) and, at the same time, “the Code of Ethics and Business Conduct” which forms an integral part thereof. The General Part of the 231 Model and the Code of Ethics and Business Conduct are available on Company website, www.saesgetters.com (Section Investor Relations/ Corporate Governance).

In its resolution of February 13, 2007, the Board updated the 231 Model in the light of the entry into force of the implementing provisions for the EU rules governing the prevention of market abuse, and as part of the periodic check pursuant to article 7, paragraph 4, letter a) of Legislative Decree no. 231/2001.

The Board with the resolutions dated March 18, 2008 and April 23, 2008 updated the 231 Model also in order to bring this into line with the statutory amendments introduced in 2007 aimed at extending the range of crimes covered by Legislative Decree no. 231/2001. In particular, the following crimes have been introduced:

- crimes of receiving, laundering and using money, goods or assets of illegal origin (article 25-*octies* Legislative Decree no. 231/2001) introduced by Legislative Decree of November 16, 2007 implementing the III anti-money-laundering Directive 2005/60/EC.
- article 9 of Law no. 123 of August 3, 2007 inserted article 25-*septies* into Legislative Decree no. 231/2001, concerning crimes associated with the violation of safety and accident prevention rules. Reference is made to hypotheses of culpable crime of homicide and serious or very serious personal injuries committed as a result of the infringement of rules governing accident prevention and the protection of health and safety at work.

On May 8, 2008 the Board updated the Code of Ethics and Business Conduct of the Company.

The Company in the last three months of the Financial Year started a project to review and update the 231 Model, to be compliant to Legislative Decree no. 231/2001 after the broadening of the range of crimes therein relevant. In particular, the following crimes have been introduced:

- article 24-*ter* organized crime – Law July 15, 2009, no. 94;
- article 25-*bis* crimes against industry and commerce- Law July 23, 2009, no. 99;
- article 25-*novies* crimes related to the copyright infringement – Law 23 July 2009, no. 99, and also the crime of induction not to make declarations or to render false declarations to the public authority – Law August 3, 2009 no. 116.

For this purpose, all the activities related to each corporate department has been re-examined to verify, in particular, whether there are activities that might be relevant according to Legislative Decree no. 231/2001, as updated, and assess whether the control measures in place to prevent crimes are adequate.

The Board of Directors will approve the 231 Model as updated in one of the next Board of Directors Meeting.

The adoption of the 231 Model, has been undertaken by the Board, in the belief that the creation of an “organisational, management and control model” may represent not only an effective way of raising the awareness of all those who work on behalf of the Company with regard to the correct and consistent behaviours that they must adopt in the performance of their duties but also a necessary mean for preventing the risk of commission of the crimes specified in that Decree. With the adoption and implementation of the 231 Model, the Company reasonably trusts it will get the exemption from penalties in case of criminal proceeding relevant under the Legislative Decree no. 231/2001.

The document describing the 231 Model, is divided in a “*General Part*” in which, after

a brief description of the essential contents of the Decree no. 231/2001, is explained the activity executed for the definition of the 231 Model and the main elements are illustrated, and in “*Special Parts*” written for the different type of crimes defined by the Decree which might be in theory relevant to the Company.

The Board also deemed it important to adopt the Code of Ethics and Business Conduct in order to clearly define all of the values that SAES Getters Group recognises, accepts and shares and all of the rules of conduct and principles of legality, transparency and correctness to be followed in the performance of its activities and in its various transactions with third parties.

6.11. Oversight Committee

A supervisory board is operational within the Company and has the duties identified in Legislative Decree no. 231/2001 as specified in the 231 Model drawn up by the Company, such as the duties to ensure the functioning, effectiveness, observance and updating of the Model and to ensure the preparation of suitable operating procedures to guarantee its optimum functioning.

On April 21, 2009, following the Shareholders’ Meeting in which the Board of Directors was appointed, the latter appointed the following individuals as members of the Oversight Committee:

- Vincenzo Donnamaria (as member of the Board of Auditors);
- Claudio Vitacca (as Internal Control Officer);
- Roberto Orecchia (as Independent Director).

The Board established also to set an annual compensation of 16,000 EUR for each member of the Committee.

The Oversight Committee has its own charter and has also elected a Chairman (Vincenzo Donnamaria).

The Committee will remain in office until the approval of the 2011 Financial Statements.

The Committee met four times during the Financial Year (with 100% attendance rate to all meeting for all the members).

The Oversight Committee, on May 22, 2009, issued the statement required under article I.A.2.13.2 of the Instructions of the Regulations of Borsa Italiana S.p.A. (compliance and observance of the 231 Model).

The Board of Directors, considering the activity of the Oversight Committee, assign to it an annual budget for the execution of the activity, in full economic and managerial autonomy.

The budget is updated from time to time depending on the specific needs expressed by the Oversight Committee. If the budget needed to be increased due to specific needs, the Oversight Committee would inform the Board of Directors.

6.12. Audit Firm

Accounting auditing is carried out by an independent audit firm appointed and operating according to law. On May 9, 2007, the Shareholders’ Meeting - taking into due account the proposal by the firm Reconta Ernst & Young S.p.A. of December 19, 2006, the Directors’ report and the proposal of the Board of Auditors - decided to grant to Reconta Ernst & Young S.p.A. the following tasks, thereby extending its mandate:

- the task set out in article 159 of the Consolidated Finance Act to audit the Company’s Financial Statements and the consolidated Financial Statements of the SAES Getters Group,
- the task of checking that books are being kept properly and operational events are

being correctly recorded in the accounting records as required by article 155, paragraph 1, of the Consolidated Finance Act,

- the task of carrying out a limited audit of the Company's half-yearly report, including at consolidated level,

for the years 2007-2012, pursuant to and in accordance with article 159 of the Consolidated Finance Act.

The Shareholders' Meeting approved the fees payable to Reconta Ernst & Young S.p.A. for carrying out the activities described above, for each of the above years, which amount in total to EUR 77,000 plus expenses, to be updated according to the variations in the ISTAT indices, based on the conditions contained in the proposal made by the audit firm attached to the minutes of the meeting (available on the Company's website, www.saesgetters.com, section Investor Relations/Corporate Documents). Within the audit tasks as to the consolidated Financial Statements, the audit firm set forth an audit plan for SAES Getters subsidiaries, both in Italy and abroad, outsourcing the audit to audit firms belonging to the Reconta Ernst & Young network.

7. Board of Auditors

The appointment of the Board of Auditors is expressly governed by the Company's By-laws, which make provision for an appointment procedure by means of slate voting, unless different or supplementary provisions laid down in mandatory laws or regulations prevail.

The Board believes that the Auditors' appointment, like the Directors' one, takes place pursuant to a clear procedure, as below described, pursuant to principle 6.P.1. of the 2006 Code.

Article 22 of the Company's By-laws, which previously made provision for the Board of Auditors to be elected by the submission of slates, was amended by resolution of the Extraordinary Shareholders' Meeting of June 29, 2007 in order to accommodate the changes and additions to election procedures introduced in the meantime into legislation.

In particular, the changes were introduced in accordance with the provisions of article 148, paragraphs 2 and 2-*bis* and of article 148-*bis* of the Consolidated Finance Act, as amended by Legislative Decree no. 303 of December 29, 2006, and of article 144-*sexies* of the Issuers Regulation as amended by Consob resolution no. 15915 of May 3, 2007, which stipulates that a statutory member of the Board of Auditors must be elected by the minority Shareholders who have no connection, not even indirectly, with the Shareholders who submitted or voted for the slate that received the highest number of votes, based on the definition of connection between majority Shareholders and minority Shareholders contained in the Issuers Regulation; that the Chairman of the Board of Auditors must be appointed by the Shareholders' Meeting from among the Auditors elected by the minority; that the By-laws may require the Shareholder or Shareholders submitting the slate to hold, at the time of submission, a percentage of the share capital no greater than the percentage determined under article 147-*ter*, paragraph 1, of the Consolidated Finance Act; that the slates must be deposited at the registered offices, accompanied by a series of documents specified by regulations, at least 15 days before the scheduled date of the Shareholders' Meeting called to resolve on the appointment of Auditors and these slates must be available for consultation by the public at the registered offices, the market management company and on their

website under the terms and conditions laid down by regulations; that the By-laws may establish the criteria for identifying the candidate to be elected in the case of a tied vote between slates.

Current article 22 of the By-laws stipulates that the minority - who are not party to significant connections, not even indirectly, within the meaning of article 148, paragraph 2, of Consolidated Financial Act and related regulations - are reserved the choice of one Statutory Auditor, who will chair the Board, and one Alternate Auditor.

The election of minority Auditors takes place at the same time as the election of the other members of the control body (except in case of substitution).

A slate for the appointment of members of the Board of Auditors may be submitted by Shareholders who, at the time of submitting the slate, own, individually or together with other Shareholders submitting the slates, a percentage of the voting capital at least equal to the percentage determined by Consob under article 148, paragraph 2, of Consolidated Financial Act and in accordance with the provisions of the Issuers Regulation. For information (considering that the appointment of the corporate bodies, occurred during the Financial Year, is not included in the agenda of the Shareholders Meeting which is about to be convened) on January 27, 2010, Consob published resolution no. 17148, specifying the percentage required for submitting slates of candidates for the election of the management and control bodies of companies that closed their financial year on December 31, 2009. The threshold for the Company was established at 2.5% of the share capital.

A Shareholder cannot submit or vote for more than one slate, including through an intermediary or through trust companies.

Shareholders belonging to the same group and Shareholders who join a Shareholders' agreement in relation to the Company's shares cannot submit or vote for more than one slate, including through an intermediary or through trust companies. A candidate may only be present in one slate failing which he will be ineligible.

Also to the extent of application criterion 10.C.1. of 2006 Code, slates, signed by those submitting them, are deposited at the registered offices at least fifteen days before the scheduled date of the Meeting called to resolve on the appointment of Auditors. These slates are made available for consultation by the public at the registered offices as well as at the market management company and on its own website, under the terms and conditions laid down by the applicable regulations.

Slates must contain the names of one or more candidates for the position of Statutory Auditor and one or more candidates for the position of Alternate Auditor. The names of the candidates are marked in each section (statutory auditors section, alternate auditors section) by a progressive number and limited to a number no greater than the members to be elected.

Slates also contain, even as an appendix:

- a) information on the identity of the Shareholders who submitted them, with an indication of the overall percentage shareholding held and a certificate showing the ownership of that shareholding;
- b) a declaration from Shareholders other than those who hold, individually or jointly, a controlling or majority interest, certifying the absence of any connections within the meaning of article 144-*quinquies* of the Issuers Regulation with the latter;
- c) a complete report on the personal and professional characteristics of the candidates accompanied by a list of the management and control positions held by the latter among other companies;
- d) a declaration by candidates certifying that there are no grounds for ineligibility and incompatibility, and that they possess the requirements laid down by law and by regulations from time to time in force, and that they accept the candidacy;

e) any other additional or different declaration, report and/or document required by law and by applicable regulations.

If on the deadline for the submission of slates, only one slate has been submitted or only slates submitted by connected Shareholders within the meaning of the applicable provisions, slates may be submitted up until the fifth day following that date. In this case, the thresholds specified above for the submission of slates are halved. Notice of the failure to submit minority slates, of the extended deadline for the submission of slates and of the reduction of the thresholds is given in the time and manner specified by applicable legislation.

For the election of the Auditors, the procedure is as follows: (i) from the slate which obtained the highest number of votes (**"Majority Slate"**), two Statutory Auditors and one Alternate Auditor are elected, based on the progressive order with which they are listed in the slate; (ii) from the second slate which obtained the highest number of votes and which has no connection, not even indirectly, with the Shareholders who submitted or voted for the Majority Slate pursuant to the applicable provisions (**"Minority Slate"**), one Statutory Auditor, who will chair the Board of Auditors (**"Minority Auditor"**) and one Alternate Auditor (**"Minority Alternate Auditor"**) are elected, based on the progressive order with which they are listed in the slate.

In the event of a tied vote between slates, the slate submitted by Shareholders owning the largest shareholding at the time of submitting the slate or, alternatively, by the largest number of Shareholders will prevail.

If just one slate has been submitted, the Shareholders' Meeting casts its vote on that slate and if that slate obtains the relative majority of voters, without counting abstentions, all candidates indicated on that slate will be elected as Statutory and Alternate Auditors. The Chairman of the Board of Auditors is, in this case, the first Statutory Auditor candidate.

In the absence of slates, the Board of Auditors and the Chairman are appointed by the Shareholders' Meeting according to the ordinary statutory majorities.

If, for any reason, the Majority Auditor is not present, he is replaced by the Alternate Auditor taken from the Majority Slate.

If, for any reason, the Minority Auditor is not present, he is replaced by the Minority Alternate Auditor.

The Shareholders' Meeting, in accordance with article 2401, paragraph 1, of the (Italian) Civil Code makes appointments or replacements in observance of the principle of the necessary representation of minorities.

The current Board of Auditors was appointed by the Shareholders' Meeting of April 21, 2009 and its term of office will expire with the approval of the 2011 Financial Statements. As better detailed in the following table, the Board comprises Vincenzo Donnataria, Chairman of the Board of Auditors, Maurizio Civardi and Alessandro Martinelli, Statutory Auditors. The appointment of the current Board of Auditors was made on the basis of a single slate received by the Company, submitted by the majority Shareholder, S.G.G. Holding S.p.A.

For details, please refer to the apposite report to the Shareholders' Meeting prepared by the Directors on this subject, dated March 17, 2009, which was deposited at the registered offices, with Borsa Italiana S.p.A. and published on the Company's website www.saesgetters.com (section Investor Relations/Corporate Documents).

Name	Position	In office since	In office until	Slate M/m ¹³	Indep. acc. to Code ¹⁴	% attendance of BoA meetings	% attendance of BoD meetings	Other positions ¹⁵
Vincenzo Donnamaria	Chairman	21/04/09	Shareholders Meeting approving Annual Report 2011	M	No	100	90	22
Maurizio Civardi	Statutory Auditor	21/04/09	Shareholders Meeting approving Annual Report 2011	M	No	100	100	44
Alessandro Martinelli	Statutory Auditor	21/04/09	Shareholders Meeting approving Annual Report 2011	M	No	100	100	19
Fabio Egidi	Alternate Auditor	21/04/09	Shareholders Meeting approving Financial Statements 2011	M	No	n.a.	n.a.	n.a.
Piero Angelo Bottino	Alternate Auditor	21/04/09	Shareholders Meeting approving Annual Report 2011	M	No	n.a.	n.a.	n.a.
No Statutory Auditor ceased during the Financial Year: all the Auditors, whose term expired with the Shareholders Meeting approving the 2008 Financial Statements, were reappointed on the Shareholders Meeting dated April 21, 2009.								
Quorum requested to submit slates during last appointment (April 21, 2009)						2.5% of share capital		
Number of meetings during the Financial Year						5		

¹³ Majority slate, minority slate.

¹⁴ By way of derogation from application criterion 10.C.2. of the 2006 Code, the Board did not consider it necessary to stipulate expressly that the Auditors must be chosen from and among individuals who are qualified as independent on the basis of the criteria indicated with reference to the Directors. See explanation in the body of the Report.

¹⁵ "Other positions" means the total number of positions (as Director, Liquidator, Statutory Auditor) held within companies as laid down in Book V, Title V, Chapters V, VI and VII of the (Italian) Civil Code, as notified by each single Auditor to Consob, pursuant to article 144-*quaterdecies* of the Issuers Regulation. Pursuant to article 144-*quaterdecies* of the Issuers Regulation, the list of the assignment completed and updated is attached to the Report of the Auditors related to the overseeing activity pursuant to the article 153 of the Consolidated Finance Act.

Appendix 4 to this Report contains information on the personal and professional characteristics of the Auditors as required by article 144-*decies* of the Issuers Regulation.

The Board checks on an annual basis that the Auditors continue to satisfy the requirements of professionalism and integrity that they are required to possess in accordance with Ministry of Grace and Justice Decree no. 162 of March 30, 2000. In the Financial Year, as to 2008 this check was carried out on February 12, 2009. With reference to the Financial Year, the check was performed on February 18, 2010.

In addition to the requirements laid down under applicable legislation, the Company's Auditors must have also proven skills and expertise on tax, legal, organisational and accounting matters, in order to ensure the Company the maximum efficiency in the controls and the diligent performance of their duties.

By way of derogation from application criterion 10.C.2. of the 2006 Code, the Board did not consider it necessary to stipulate expressly that the Auditors must be chosen from and among individuals who are qualified as independent on the basis of the criteria indicated with reference to the Directors, deeming the legislative provisions to be sufficient. At the present time, the SAES Getters Corporate Governance Code stipulates that Shareholders who submit slates for the appointment of the Board must indicate the suitability, if applicable, of the candidates to be qualified as independent, leaving the Shareholders' Meeting during appointment to assess the weight of that qualification.

Also following application criterion 10.C.3. of 2006 Code, Auditors accept the appointment where they believe that they can devote the necessary time to the diligent performance of their duties.

Each Statutory Auditor notified to Consob the other management and control posts held within companies as laid down in Book V, Title V, Chapters V, VI and VII of the (Italian) Civil Code, pursuant to article 144-*quaterdecies* of the Issuers Regulation.

Also pursuant to principle 10.P.2. of 2006 Code, Auditors shall act with autonomy and independence even with regard to the Shareholders who elected them.

An Auditor who has an interest, either directly or on behalf of third parties, in a certain trans-

action of the Company shall inform the other Auditors and the Chairman of the Board of Directors in a timely and thorough manner about the nature, terms, origin and extent of his/her interest, also to the extent of application criterion 10.C.4. of 2006 Code.

The Board of Auditors, within the scope of the duties assigned to it by law, oversees the concrete implementation of the Corporate Governance rules set forth in the SAES Getters Corporate Governance Code and ascertains (as it positively verified during the Financial Year) the correct implementation of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members. The outcome of these checks is disclosed to the market in the present Report or in the Auditors' report to the Shareholders' Meeting.

The Board of Auditors also monitors (as monitored during the Financial Year) the independence and autonomy requirements of its own members, disclosing the results to the Board of Directors in time for compiling the present Report. The Board of Auditors, monitored, in the first meeting after their appointment (which took place on April 21, 2009) and during the Financial Year, that each of the members maintain its requirements of independence. For the above mentioned evaluations, the Board did not apply the others criteria set for the independence of the Directors, but only the criteria defined by the law and regulations, because the SAES Getters Code of Corporate Governance did not require those criteria, as set forth below. It is the duty of the Board of Auditors to evaluate the proposals submitted by the independent audit firms for obtaining the relevant appointment, as well as the work plan prepared for the audit and the results described in the report and in any letter of suggestions. The Board of Auditors, in compliance with application criterion 10.C.5. of the 2006 Code, also monitors the effectiveness of the auditing process and the independence of the audit firm, checking both compliance with legislative provisions and the nature and extent of services other than financial auditing provided to the Company and its subsidiaries by the same audit firm and by the entities belonging to its network.

During the Financial Year, the Board of Auditors checked the independence of the audit firm, verifying both compliance with legislative provisions and the nature and extent of services other than financial auditing provided to SAES Getters S.p.A. and its subsidiaries by Reconta Ernst & Young S.p.A. and the entities belonging to its network.

As part of its activities, the Board of Auditors may ask the Internal Audit Department to carry out checks on specific areas of operation or transactions of the Company, as recommended in application criterion 10.C.6. of 2006 Code.

Following application criterion 10.C.7. of 2006 Code, the Board of Auditors and the Audit Committee from time to time exchange relevant information required for the performance of their respective duties, for example during the meeting of the Board of Directors or of the Audit Committee (whose meeting the Chairman of the Board of Auditors or another Auditor attends). During the Financial Year, the Board of Auditors met five times, with the constant participation of all the members. Each meeting of the Board of Auditors took an average of three hours. For 2010, five meetings are already scheduled; one meeting was already held on February 3, 2010. With reference to principle 10.P.3. of 2006 Code, the Company believes to have taken all sufficient measures to ensure the Board of Auditors can efficiently perform its duties.

8. Relations with Shareholders

8.1. Relations with Investors

The Chairman and the Managing Director, while complying with the procedure for the handling of inside information, try hard to develop a constant dialogue with Shareholders,

with institutional investors, and with the market in general, in such a way as to guarantee the systematic disclosure of thorough and timely information about the Company's activities. The disclosure of information to investors, to the market and to the press is achieved through press releases and through regular meetings with institutional investors and with the financial community.

Even pursuant to application criterion 11.C.2. of the 2006 Code, the dialogue with institutional investors, the majority of Shareholders and analysts is entrusted to a dedicated unit called Investor Relations, in order to establish an ongoing professional relationship and a correct, continual and thorough flow of information.

At the present time, relations with Shareholders are managed by Emanuela Foglia, Investors Relations Manager, under the supervision of Giulio Canale, Chief Financial Officer and Managing Director.

During the Financial Year, meetings and conference calls were organised for the purposes of the regular accounting/financial reporting activities. During the Financial Year, in particular, the Company participated in the STAR Conference in Milan organised by Borsa Italiana S.p.A., on March 24, 2009.

The presentations showed during the meetings with the financial community are posted on the Company website www.saesgetters.com (section Investor Relations/Presentations), and sent in advance to Consob and Borsa Italiana S.p.A.

An email address is available (investor_relations@saes-group.com) to which requests for information can be sent and from which clarifications and explanations to Shareholders can be sought on transactions carried out by the Company.

8.2. Website

An important role is played by the Company's website (www.saesgetters.com), where it is possible to find economic/financial information (such as Financial Statements, half-yearly and quarterly reports) as well as information and documents of interest to the Shareholders as a whole (press releases, presentations to the financial community, calendar of Company events) in both Italian and English language.

Even pursuant to application criterion 11.C.1. of the 2006 Code, in the Investor Relations section of its website, the Company posts important or mandatory information which enables Shareholders to exercise their rights in full knowledge of the facts, including information on participation and exercise of voting rights in Shareholders' Meetings, as well as documentation concerning items on the agenda of Shareholders' Meetings, including the slates of candidates for the positions of Director and Auditor with an indication of their personal characteristics and professional qualifications.

The Company's inclusion and continued presence on the STAR (Securities with High Requirements Segment) segment of Borsa Italiana S.p.A. is also an indicator of its ability to satisfy the strict reporting standards which constitute an essential requirement for such inclusion.

9. Shareholders' Meetings

The Shareholders' Meeting, regularly constituted, represent all the Shareholders and its resolutions, taken according to the law, are binding for them, even if not attending or dissenting. Ordinary and Shareholders' Meetings are convened in the cases and the ways established by law, at the registered offices of the Company or even abroad, provided within the European Union.

The Shareholders Meeting is governed by the articles 8, 9, 10, 11, 12 and 13 of the By-laws, available on Company website, www.saesgetters.com (section Investor Relations/Corporate Governance/Company By-laws).

Sharing principles 11.P.1. and 11.P.2., and application criteria 11.C.3. and 11.C.4. of 2006 Code, the Chairman and Managing Director encourage and work hard to promote the widest possible participation of Shareholders in Shareholders' Meetings, as an effective opportunity for dialogue and interaction between the Company and investors. As a general rule, all Directors attend Shareholders' Meetings. No claim on this matter from the Shareholders ever came to the attention of the Company.

The Board of Directors tries to limit the restrictions and formalities that might make it difficult or burdensome for the Shareholders to participate in the Shareholders' Meeting and to exercise their voting right.

Shareholders' Meetings are also an opportunity to provide Shareholders with information on the Company, while complying with the rules governing inside information.

In particular, the Board reports to the Shareholders' Meeting on activities carried out and planned and tries to ensure that the Shareholders receive adequate information so that they can take the decisions for which they are responsible with full knowledge of the facts.

During the Financial Year, the Shareholders met on April 21, 2009:

- a) in ordinary session with the following agenda:
 1. Report of the Board of Directors on the year ended 31 December 2008; Financial Statements for the year ended 31 December 2008; inherent and consequent resolutions;
 2. Resolutions according to articles 2357 and 2357-ter of the (Italian) Civil Code;
 3. Appointment of the Board of Directors, upon prior definition of the number of its components; determination of remuneration for the Board of Directors, the Audit Committee and the Compensation Committee;
 4. Appointment of the Board of Statutory Auditors and its Chairman; determination of the related remuneration;
 5. Proposal of a special career reward for the founder Dr Ing. Paolo della Porta, even by mean of free assignment of treasury shares.

- b) In extraordinary session, with the proposal of amendment of the article 9 of the Company By-laws pursuant to the article 154-ter of the Consolidated Financial Act.

To resolve on this item of the agenda, the Shareholders Meeting decided to remove, in the article 9 of the Company By-laws, pursuant to the article 154-ter of the Consolidated Financial Act, the provision related to the possibility of convening the ordinary Shareholders meeting for the approval of financial budget within 180 days before the end of the fiscal year, in case of specific needs and specifying the grounds of the delay in the Report to the Financial Statement.

For the purposes of attending Shareholders' Meetings, the Company requires prior notification pursuant to article 2370, paragraph 2, of the (Italian) Civil Code, which must arrive at least two working days before the Meeting. Indeed, article 10 of the By-laws reads:

"Attendance and representation at Shareholders' Meeting are governed by statutory provisions. Shareholders with voting rights for whom the Company has received, at least two business days prior to the Shareholders' Meeting, the notification issued by the authorised intermediary who holds the accounts in dematerialised form, shall have the right to attend the Meetings. The Chairman of the Meeting shall be responsible, either directly or through appointees, for checking that the Meeting is validly convened, for verifying the identity and legitimacy of those present, for chairing the meeting, for establishing the methods of discussion and voting (which shall in all cases be transparent) and for announcing the results of votes."

9.1. Regulation of Shareholders' Meetings

The experience gained with regard to the orderly and functional nature of Shareholders'

Meeting has led to the conclusion that there is no current need to prepare specific regulations for regulating the meetings. The orderly execution of the works has been granted up to today by the By-laws provisions that assign the Chairman the task of verifying the identity and legitimation of each attendant, the quorum necessary to deliberate, the orderly conduct and to define the way of voting.

Shareholders' Meetings have always been held with the utmost regularity, allowing all Shareholders involved to intervene in order to formulate requests for clarification and to express their observations thoroughly. A response has always been given to the queries raised by Shareholders and the drafting of the minutes of the Meetings, including in ordinary session, is entrusted to a Notary.

Therefore, the Board of Directors, taking into consideration the orderly and functional conduct of the Company's Ordinary and Extraordinary Shareholders' Meetings to date, and the lack of need to restrain the intervention of Shareholders during the Meeting in view of the limited free float, and wishing instead to encourage the broadest possible participation of Shareholders in Meetings, does not deem it necessary for the time being to draw up any procedure governing the participation of Shareholders, differently from the application criterion 11.C.5. of 2006 Code. However, the Company reserves the right to draw up such regulations should it observe a lack of fair debate during meetings.

9.2. Special Meeting of holders of savings shares

The Special Meeting of holders of savings shares is convened in the way defined by law, at the Company registered offices or elsewhere, also abroad, but within the European Union. Last meeting of holders of savings shares was held on April 23, 2009 to appoint their common representative, because his mandate expired. The holders of savings shares confirmed, for the fiscal years 2008-2010, Mr. Massimiliano Perletti, as their common representative, and to resolve upon on the related annual remuneration which is established in the amount of € 1,100.00 (one thousand and one hundred).

9.3. Significant Changes in the Market Capitalisation of Shares

In the Financial Year ordinary and savings shares listed on STAR on the Italian *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A., recorded a decrease in value equal to 3% and 4% respectively, to be compared with an increase of 17% and 28%, recorded by FTSE MIB and FTSE Italia Star Indexes¹⁶.

9.4. Significant Changes in the Shareholdings

On April 29, 2009 Morgan Stanley Investment Management Limited notified they owned a shareholding higher than 2% (2.063%) and on December 31, 2009 that they decreased their shareholding below 2%.

With reference to application criterion 11.C.6. of 2006 Code, The Board did not deem opportune to propose Shareholders amendments to the By-laws as to percentages required to trigger actions and minority prerequisites.

¹⁶ Following the merger of Borsa Italiana S.p.A. with the London Stock Exchange, starting from June 2009, the FTSE MIB Index replaced the S&P MIB Index; while the FTSE Italia Star Index replaced the All Stars Index.

10. Other corporate governance practices

No other corporate governance practices have been implemented by the Company, other than the practices described in the previous sections.

11. Conclusions

SAES Getters Corporate Governance system is substantially in line with the recommendations contained in the 2006 Code with which the Board of Directors decided to comply on December 21, 2006, with the following exceptions:

- With reference to application criterion 3.C.6., during 2008, the Independent Directors did not deem it necessary to meet without the presence of the other Directors;
- With reference to application criterion 5.C.1. lett. d), it is worth clarifying that the existing Committees (Compensation Committee and Audit Committee) are not endowed with a predefined budget but have unlimited disbursement powers, with a duty to report to the Board;
- Referring to principle 6.P.2., the Board did not consider necessary to establish an internal Committee to propose appointments for the position of Director, given the composition of the Company's Shareholders and not having experienced difficulties in gathering proposed appointments from Shareholders, so that Board composition is in line with SAES Getters Corporate Governance Code;
- With reference to the application criterion 8.C.5. and to the process of corporate restructuring started during the Financial Year, the Managing Director, in his capacity as Director responsible for supervising the functionality of the Internal Control System, although regularly checking the overall adequacy, efficiency and functionality of the Internal Control System and keeping the main risks identification running, did not deem appropriate to submit them to the Board of Directors; in fact, a new identification of the main corporate risks will be performed at the end of the restructuring process that will be completed in 2010. The outcome of this assessment will be submitted to the Board;
- As to application criterion 9.C.1., in view of regulation amendments about to be approved by Consob, the Board reserves the right to introduce new principles for Related Party Transactions amending current provisions of SAES Getters Corporate Governance Code;
- By way of derogation from application criterion 10.C.2, the Board did not consider it necessary to stipulate expressly that the Auditors must be chosen from among individuals who are qualified as independent on the basis of the criteria indicated with reference to the Directors, deeming the legislative provisions to be sufficient. At the present time, the SAES Getters Corporate Governance Code stipulates that Shareholders who submit slates for the appointment of the Board shall indicate the suitability, if applicable, of the candidates to be qualified as independent, leaving the Shareholders' Meeting during appointment to assess the weight of that qualification;
- referring to the application criterion 11.C.5., the Board of Directors, taking into consideration the orderly and functional conduct of the Company's Ordinary and Extraordinary Shareholders' Meetings to date, and the lack of need to restrain the intervention of Shareholders during the Meeting in view of the limited free float, and wishing instead to encourage the broadest possible participation of Shareholders in

Meetings, does not deem it necessary for the time being to draw up any procedure governing the participation of Shareholders;

- With reference to application criterion 11.C.6. of 2006 Code, The Board did not opportune to propose Shareholders amendments to the By-laws as to percentages required to trigger actions and minority perquisites.

12. Changes after the end of the financial year

There have been no changes in the Corporate Governance structure after the end of the Financial Year.

Lainate, March 15, 2010

for the Board of Directors
Massimo della Porta
Chairman



Appendix 1 - Composition of the Board of Directors and the Committees

Name	Position	In office since	In office until	Slate (M/m)	Executive	Non-executive	Indep. acc. to Code	Indep. acc. to Consol. Financial Act	Number other positions	Audit Cttee	Compensation Cttee
Massimo della Porta	Chairman	21/04/09	Shareholders' Meeting approving Annual Report 2011	M	X				2		
Giulio Canale	Vice Chairman, Managing Director and Chief Financial Officer	21/04/09	Shareholders' Meeting approving Annual Report 2011	M	X				2		
Stefano Baldi	Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X			1		X
Adriano De Maio	Director and Lead Independent Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X	X	X	3	X	X
Giuseppe della Porta	Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X			-		
Andrea Dogliotti	Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X			-	X	
Andrea Gilardoni	Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X			3		
Pietro Mazzola	Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X			8		
Roberto Orecchia	Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X	X	X	-		
Andrea Sironi	Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X	X	X	2	X	X
Gianluca Spinola	Director	21/04/09	Shareholders' Meeting approving Annual Report 2011	M		X			1		
Directors ceased during the Financial Year											
Paolo della Porta	Chairman	27/04/06	21.04.09	n.a.	X						
Evelina Christillin	Director	27/04/06	21.04.09	n.a.		X					
Giuseppe Rolando	Director	27/04/06	21.04.09	n.a.		X					
Renato Ugo	Director and Lead Independent Director	27/04/06	21.04.09	n.a.		X	X	X			
Quorum requested to submit slates during last appointment (April 21, 2009)								2,5%			
Number of meeting during the Financial Year				Board of Directors			Audit Cttee			Compensation Cttee	
				10			4			2	

Appendix 2 - Director or Auditor posts held by the Directors in other companies listed on regulated markets, including foreign markets, in financial companies, banks, insurance companies or large-sized companies

Name	Company	Post	Office
Stefano Baldi	S.G.G. Holding S.p.A.		Non executive Director
Giulio Canale	S.G.G. Holding S.p.A.	Director, Vice President and Managing Director	
	PC30 S.r.l.		Non executive Director
Adriano De Maio	Telecom Italia Media S.p.A.	Non executive Director and member of the Compensation Committee	
	TxT e-solutions S.p.A.	Non executive Director and member of both the Audit Committee and the Compensation Committee	
	Indesit Company S.p.A.		Non executive Director
Giuseppe della Porta	-		-
Massimo della Porta	S.G.G. Holding S.p.A.	Director, Vice President and Managing Director	
	Alto Partners SGR S.p.A.		Non executive Director
Andrea Dogliotti	-		-
Andrea Gilardoni	Società Gasdotti Italia S.p.A.		Non executive Director
	SIAS S.p.A.		Chairman of the Board of Auditors
	Kinexia S.p.A.	Non executive Director and member of both the Audit Committee and the Compensation Committee	
Pietro Mazzola	Banca Italease S.p.A.		Statutory Auditor
	IW Bank S.p.A.		Non executive Director
	Banca Leonardo S.p.A.		Statutory Auditor
	Berger Trust S.p.A.	Executive Director, Vice President	
	Felofin S.p.A.		Non executive Director
	P.M. Group S.p.A.		Non executive Director
	Partners S.p.A.		Non executive Director
	ARCA Impresa Gestione SGR S.p.A.		Non executive Director
Roberto Orecchia	-		-
Andrea Sironi	Banco Popolare società cooperativa		Non executive Director
	Banca Aletti S.p.A.		Non executive Director
Gianluca Spinola	Diadora Group Holding S.p.A.		Chairman

Please be advised that, among the companies referred above, only S.G.G. Holding S.p.A. is part of the SAES Getters Group, as ultimate parent company.

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